

To energymarkets@deed.wa.gov.au
Subject 2026 Benchmark Technology Review
Date 6 October 2026

Good Morning

Thank you for the opportunity to comment on the draft determination from the 2026 Benchmark Technology Review. As a generator and retailer, Perth Energy has a keen commercial interest in the value which is set for the benchmark reserve capacity price (BRCP). However, our main focus in responding to this draft review is to ensure that the chosen technology supports the State Electricity Objective which balances customer costs, system reliability and environmental matters.

At present, we are seeing significant pressure on customer prices with the BRCP being a major driver because it feeds into costs for all customers. Further, the public has been regularly told that moving to renewable generation will reduce electricity prices so rising costs threaten the social licence of the whole transition. It is therefore doubly important that price rises be held to an absolute minimum.

In summary, we consider that the proposed technology of a dual fuelled single cycle gas turbine power station with connections to the Dampier to Bunbury natural gas pipeline and the Clean Energy Link North 330kV transmission line is appropriate.

Below is our response to the specific proposals put forward in the consultation paper.

Proposal A:

The proposed Benchmark Technologies for the Peak and Flexible BRCPs are:

- *An E-Class SCGT certified on distillate, with preference to run on gas when practical, connected to an unconstrained node on the Clean Energy Link North.*

Consultation questions:

1. *Based on the analysis, do stakeholders agree with the proposed Benchmark Peak Technology?*
2. *Based on the analysis, do stakeholders agree with the proposed Benchmark Flexible Technology?*

Perth Energy Response

Perth Energy supports the decision to no longer take potential emission limitations into account in determining the benchmark technology. Government has not legislated any such standard and it would be inappropriate to limit technology choices without any formal standard. We note, too, that there is an increasing acceptance that gas fired generation will be required for firming during periods of low renewable generation.

Having taken this position in respect to emissions, it follows that the generation capacity with the lowest fixed capital, operating and maintenance costs will be a simple cycle gas turbine (SCGT). This type of machine will fully meet the specifications established for both peak and flexible reserve capacity. Similarly, removing the emissions constraint also permits consideration of E-Class gas turbines which, given their size, are probably more suitable for the SWIS than the generally larger F-Class units.

We consider that specifying a gas turbine that has dual fuel capability is a reasonable compromise. Clearly, specifying dual fuel capability, and a gas pipeline connection, raises the cost above that for a liquid fuelled only machine. However, developers, including Perth Energy, appear to favour gas turbines which are certified on diesel but run preferentially on gas. Recognising this reality is a sound move.

We also question whether a diesel fuel only plant would be able to secure the relevant approvals or would be commercially viable.

Perth Energy supports the decision not to include the cost of reserving capacity on the gas pipeline to secure gas supply for the benchmark gas turbine, even though it is dual fuelled. Operation on gas will be a commercial decision made at the time of dispatch. As such, the level of gas supply and transport commitments will be commercial decisions made by the developer.

As an aside, the level of gas pipeline capacity that needs to be provided to meet firming demand, the optimum balance between gas and diesel firing, and decisions on who should be underwriting gas pipeline enhancements all require further detailed consideration. This analysis will need to be regularly reviewed as coal plants leave the system and as the proportion of renewable generation increases.

Proposal B:

Retain the gross CONE approach

Consultation question:

Based on the analysis, do stakeholders agree with retaining a gross CONE approach?

Perth Energy Response

Perth Energy agrees that using gross CONE is a sound approach. Using net cone would add more uncertainty into establishing the BRCP for relatively limited economic benefit. Given the significant amount of gas fired plant now in place, under construction or proposed, it appears that the opportunity to make excess profits will be quite limited.

Issue of system reliability

As the energy transition rolls out, the power system becomes more weather dependant and more at risk from renewable energy generation shortfalls. Whilst we have good wind and solar resources in the SWIS on average, we still experience periods of two to three days when both are significantly constrained. Sustaining reliable supply during these events with just renewables and storage is either impractical or extremely expensive.

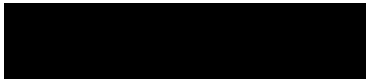
There is a general acceptance that gas firming is an essential part of the future generation mix. Based on assessment of past weather events, the system will probably need some 3000 MW of firming capacity. However, there are likely to be occasions when the gas supply system will be unable to meet this plant's full fuel requirements, and it will have to be supplemented by liquid fuels.

Stipulating a dual fuel generator as the benchmark technology will tend to encourage development of appropriate firming capacity and alert consumers to the ongoing need for liquid fuelled generation. We see this as a significant side benefit of the benchmark technology decision.

As a final comment, we appreciate the authors putting a table of abbreviations at the front of the report. This is a thoughtful way to assist the reader.

Should you have any questions please do not hesitate to contact me at p.peake@perthenergy.com.au or on 0437 209 972. This submission may be made public.

Kind regards



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I am based in the Perth Office and work Tuesday, Wednesday and Thursday