



Sustainable Energy Now Inc.  
PO Box 341  
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12 January 2023

Hon Reece Whitby MLA  
Minister for Environment; Climate Action; Racing and Gaming

Cc:  
Hon Bill Johnston MLA  
Minister for Mines and Petroleum; Energy; Corrective Services; Industrial Relations

Dear Minister,

**2022 Western Australian (WA) Gas Statement of Opportunities (GSoO)**

We are writing to you concerning the matter of AEMO WA GSoO (December 2022 - Market outlook to 2032) noting that it forecasts an increase in gas usage over the next decade when gas usage should be dropping in order to meet the State Government's emission reduction interim target of 80 per cent below 2020 levels.

We are particularly concerned that gas usage in the power generation sector is forecast to more than double from 127 TJ/day in 2023 to 304 TJ/day in 2032. It is widely recognised that the power generation sector is the easiest and quickest to decarbonise. A decarbonised electricity sector forms the basis for decarbonisation of other sectors via electrification.

The forecast increased emissions from gas fired power generation will largely negate the planned emissions reduction from the closure of state-owned coal fired power stations.

It is concerning that there are insufficient renewables planned to replace Synergy's scheduled coal retirements, as noted in the GSoO.

We recognise that AEMO, in producing the GSoO, are working under the Gas Services Information Act 2012, associated regulations and information rules (2022). We note this framework currently make no provision for the measurement, reporting or reduction of related greenhouse gas emissions with reference to national and state emission reduction targets. We think this is an omission that the State government should address.

SEN's concern is that there is a structural block between State climate policy and AEMO's gas market forecasting.

The GSoO assumes (as in previous years) that business will continue largely as usual, with gas demand steady or increasing.

SEN's view is that one of the modelled scenarios should have considered potential *reductions* in gas use and hence emissions, through, for example, replacing gas with electricity for:

- heat and other process applications in mining and industry;
- domestic and commercial hot water production, space heating and cooking.

In terms of electricity generation, the GSoO recognises the impending closure of coal-fired generation, but claims, without evidence, that most of this capacity will be replaced by gas. Discussion of the increasing penetration of renewables, and how this could be ramped up to reduce emissions and generation costs, is largely absent.

The GSoO presents a very different view of the electricity generation market than the companion AEMO publication, the 2022 Wholesale Electricity Market Electricity Statement of Opportunities (ESoO).

The GSoO assumes gas will be needed for **baseload** generation in 2032, while the ESoO predicts that increases in Distributed PV will result in no requirement for **baseload** power by 2026/27.

SEN's view is that the GSoO did not use the full extent of information available within AEMO, and this has led to the outcomes of the GSoO being compromised. By communicating a business as usual approach and predicting an increase in gas demand AEMO, and the government, is signalling to industry and investors that there is no climate risk, and hence no investment risk, associated with the gas industry.

SEN has written to AEMO separately about the GSoO assumptions and apparent internal inconsistencies between two AEMO reports: the GSoO (December 2022 to 2032); and the 2022 Wholesale Electricity Market Electricity Statement of Opportunities (ESoO). Differences include the ESoO reflecting an energy system in transition and the GSoO reflecting business as usual.

We request you to ensure that future GSoO reports are consistent with state climate policies and any structural blocks are removed.

We look forward to your response, and the opportunity to discuss this topic in more detail.

Yours faithfully,



**Fraser Maywood**  
Chair  
Sustainable Energy Now Inc

Approved by the SEN Committee on 10/01/2023.

*Sustainable Energy Now Inc. (SEN) is a not-for-profit incorporated association advocating for the utilization of sustainable energy sources within Western Australia.*