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28th July 2023

Legislative Assembly
Economics and Industry Standing Committee
Email: laeisc@parliament.wa.gov.au

Inquiry into the WA Domestic Gas Policy

Attention Hon. Peter Charles Tinley, MLA

Dear Chair, please find enclosed our submission with regards to the above parliamentary inquiry. Our submission is not confidential.

SEN acknowledges the essential role domestic gas currently plays in the WA economy and for household use in heating and cooking.

SEN recognises the following as context to our submission:

1. The worldwide climate crisis largely caused by the continued burning of fossil fuels such as natural gas;
2. Australia as a signatory to Paris Agreement and its legally binding Nationally Determined Contributions;
3. The Federal government's emission reduction targets and the Safeguard Mechanism policy for reducing emissions at large industrial facilities (this includes facilities consuming domestic gas);
4. The WA state government's net zero target and the Sectoral Emissions Reduction Strategies (SERS);
5. The benefits to the state from renewable energy in the context of medium to long term energy policy objectives: energy security, energy affordability and environmental impact;
6. Public support for action on climate change;
7. Minister Bill Johnson's comments on the SWIS DA "Electrification of industries, transport and homes is key to reducing greenhouse gas emissions."
8. Strong business lobbying and political support for continuation of business as usual energy policy of 'plentiful cheap gas';
9. The role fossil gas can play in the energy transition (i.e., a commodity that is used less and less during the clean energy transition);

10. The role fossil gas could play as a valuable petrochemical feedstock – so long as emissions are controlled. We note that the Perdaman fertilizer plant is a prime example of how **not to** manage emissions or state development. The plant would have been an opportunity for the state government to promote renewable hydrogen to produce green fertilizer such is happening in Europe and elsewhere and displacing the use of polluting fossil gas in fertilizer production.

Engagement with the Terms of Reference

SEN's view is that to ensure the continued affordability and availability of domestic gas, and to safeguard against price increases caused by international pricing pressures, is to consider a wider lens and look at energy with gas being in transition:

- a) Phase out fossil gas use;
- b) Build out renewable energy generation capacity;
- c) Upgrade the state's transmission and distribution networks capacity and capability (smart networks);
- d) Encourage all users to decarbonise, wherever feasible via electrification;
- e) Continue to reform the Wholesale Electricity Market;
- f) Make provisions (physical and commercial) for the storage and use of pipeline gas if and when required in support of SWIS power generation – i.e., when renewable energy (e.g., wind, solar, battery storage, any available long term energy storage such as pump hydro) cannot meet supply. SEN's modelling indicates a capacity factor of around 5% for gas fired generation – this could require gas storage as when gas is required for power generation it is required in amounts that may exceed the pipeline capacity. Energy Policy's modelling in the SWIS Demand Assessment indicates a similar capacity factor for gas in 2042.

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

Yours faithfully,



Fraser Maywood

Chair

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