

## Attachment B: Officials' Consultation Paper – Stakeholder feedback template

### Submission from Alan Pears AM (personal submission)

The template below has been developed to enable stakeholders to provide feedback on

- the refined approach to extending the national framework to covered gases (see Chapter 3 of the consultation paper); and
- the amendments to the NGL, NERL and National Regulations that are required to give effect to the refined approach (see **Attachment A** for the draft Bill and Chapters 4-5 of the consultation paper for a guide to these changes).

Officials strongly encourage stakeholders to use this template, so that it can have due regard to the views expressed by stakeholders on each issue. If you wish to provide additional feedback outside the template, wherever possible please reference the relevant question to which your feedback relates. It's

## Feedback on the refined approach (see Chapter 3)

No.	Questions	Feedback
Related to:	Proposed approach to specifying the gases and blends within scope of national gas regulatory framework	n/a

No.	Questions	Feedback
1	<p>What are your views on the refined approach to identifying the gases and blends that could fall within the scope of the national framework (see section 3.1)?</p>	<p>This whole process is premature. While there is a case for urgent changes that allow very low emission gas products (ie at least 90% reduction in full cycle (Scope 1, 2 and 3) emissions) to be utilised as widely as possible and as quickly as possible, most proposals for introduction of alternative gas products into gas distribution networks risk increasing emissions and delaying emission reduction.</p> <p>Numerous studies now show that feeding hydrogen into existing gas distributions is a low priority action (eg IRENA) with many complex and poorly documented challenges. It is interesting to note that Japan's METI is now proposing conversion of renewable hydrogen into 'artificial methane' for injection into gas distribution networks, based on its analysis of the major challenges associated with distributing hydrogen.</p> <p>Gas industry studies that claim continued use of gas is justified are based on crude and distorted claims about the cost impacts of electrification and courageous claims regarding paths forward for gas. As an acknowledged expert in energy efficiency, I am confident that gas industry claims will be shown to be wrong – but if acceptance of their claims delays decarbonisation Australians will pay a high price for the pandering to a powerful interest group.</p> <p>At the same time, a least cost, fastest decarbonisation of the buildings sector does not just involve shifting from gas. We must shift from inefficient use of electricity to free up existing electricity supply capacity, and aggressively drive upgrading of the thermal performance of buildings so that the requirements for high efficiency electric heating, cooling and appliance based services are minimised. We must also integrate smart management of demand and energy storage. For example, a 6 star house needs a third as much thermal energy on a cold day. If it uses a heat pump instead of gas heating, its overall energy requirement would be 80-90% lower than the present gas use, and its peak demand would be much lower. So estimates of electrification costs based on existing gas usage are grossly distorted.</p> <p>Gas industry claims must be subjected to extensive independent review and field evaluations of existing efficiencies of all existing practices and options that can be implemented before governments and regulators add to existing market distortions. At present, lack of quality data and distorted claims mean policy makers are wearing blinkers.</p>

No.	Questions	Feedback
Related to:	Proposed extension of the NGL and National Gas Regulations	n/a
2	What are your views on the refined approach to extending the NGL to covered gases (see section 3.3)? Where appropriate, please comment in relation to the subheadings below.	<p>Only sources of gas that deliver a full cycle (scope 1, 2 and 3) reduction of at least 90% should be allowed to feed into the gas grid.</p> <p>A substantial program of research, monitoring of end use energy consumption for key energy services, and modelling of radical energy/emission reduction scenarios must be pursued before additional changes are contemplated.</p>
2.1	<p>What are your views on the proposed extension of the pipeline access regime to all pipelines transporting covered gases (i.e. natural gas, biomethane, synthetic methane, hydrogen and blends of these gases) and the impacts it may have on smaller players or new entrants? In responding to this question please consider:</p> <ul style="list-style-type: none"> <li>▪ the proposal to extend to the regime in this way from the commencement of the reforms;</li> <li>▪ the potential impact on industry development, including where it may support the development a competitive and cost-efficient hydrogen and renewable gas industry, or may create barriers;</li> <li>▪ the proposed changes to the pipeline ring-fencing arrangements; and</li> <li>▪ the proposed power to exempt remote pipelines.</li> </ul>	<p>Given the Japanese METI approach to use ‘artificial methane’ produced from renewable hydrogen, no direct introduction of hydrogen into distribution networks should be allowed until all technical, social, environmental and financial aspects of introducing hydrogen into gas distribution systems have been thoroughly evaluated.</p>
2.2	What are your views on the proposed new light-handed access regime for blend processing facilities?	We have enough of a mess already.
2.3	When developing the refined approach, a number of steps have been taken to minimise regulatory costs and risks for industry participants and new entrants. Do you think any additional steps are required? If so, please explain what they are and why they are required.	Where is the consideration of consumers and the long term impacts on the global economy?
2.4	<p>Do you agree with the AEMC’s recommendations (see section 3.2) that the NGL be amended to:</p> <ul style="list-style-type: none"> <li>▪ enable rules to be made so that AEMO can collect information for the purposes of the VGPR and capacity modelling from facilities that do not otherwise participate directly in the DWGM?</li> <li>▪ limit the potential for the unintended application of the GSOO provisions in the NGL?</li> </ul> <p>If you disagree with either of these recommendations, please explain why.</p>	It is premature to consider these issues.

No.	Questions	Feedback
2.5	<p>Do you agree with the AER's recommendations (see section 3.2) that the NGL be amended to:</p> <ul style="list-style-type: none"> <li>▪ accord the regulator the power to impose additional ring fencing requirements on a class of service providers or associates through a ring-fencing order?</li> <li>▪ allow conditions to be imposed on minimum ring-fencing exemptions issued under the NGR?</li> </ul> <p>If you disagree with either of these recommendations, please explain why.</p>	No.
2.6	Are any transitional arrangements required in the NGL to accommodate the extension to covered gases? If so, explain what they are and why they are required.	See earlier comments. Only gases that achieve more than 90% full cycle emission reductions and do not require modification of existing gas distribution networks should be allowed.
<b>Related to:</b>	<b>Proposed extension of the NERL and National Energy Retail Regulations</b>	<b>n/a</b>
3.0	What are your views on the refined approach to extending the NERL to covered gases (see section 3.3)? Where appropriate, please comment in relation to the questions below.	
3.1	What are your views on the approach to identifying NGEs and defining prescribed covered gases?	
3.2	What are your views on the separate authorisation and exemption of natural gas and NGEs (as one group) and prescribed covered gases (as separate products)?	
3.3	Are any transitional arrangements required in the NERL to accommodate the extension to covered gases? If so, explain what they are and why they are required.	See above.

## Feedback on proposed changes to the National Gas Law (see Attachment A and Chapter 4)

Section of Draft Bill	Feedback

Section of Draft Bill	Feedback

*[insert extra rows if necessary]*

## Feedback on proposed changes to the National Gas Regulations

Section of Draft Variation Regulations	Feedback

*[insert extra rows if necessary]*

