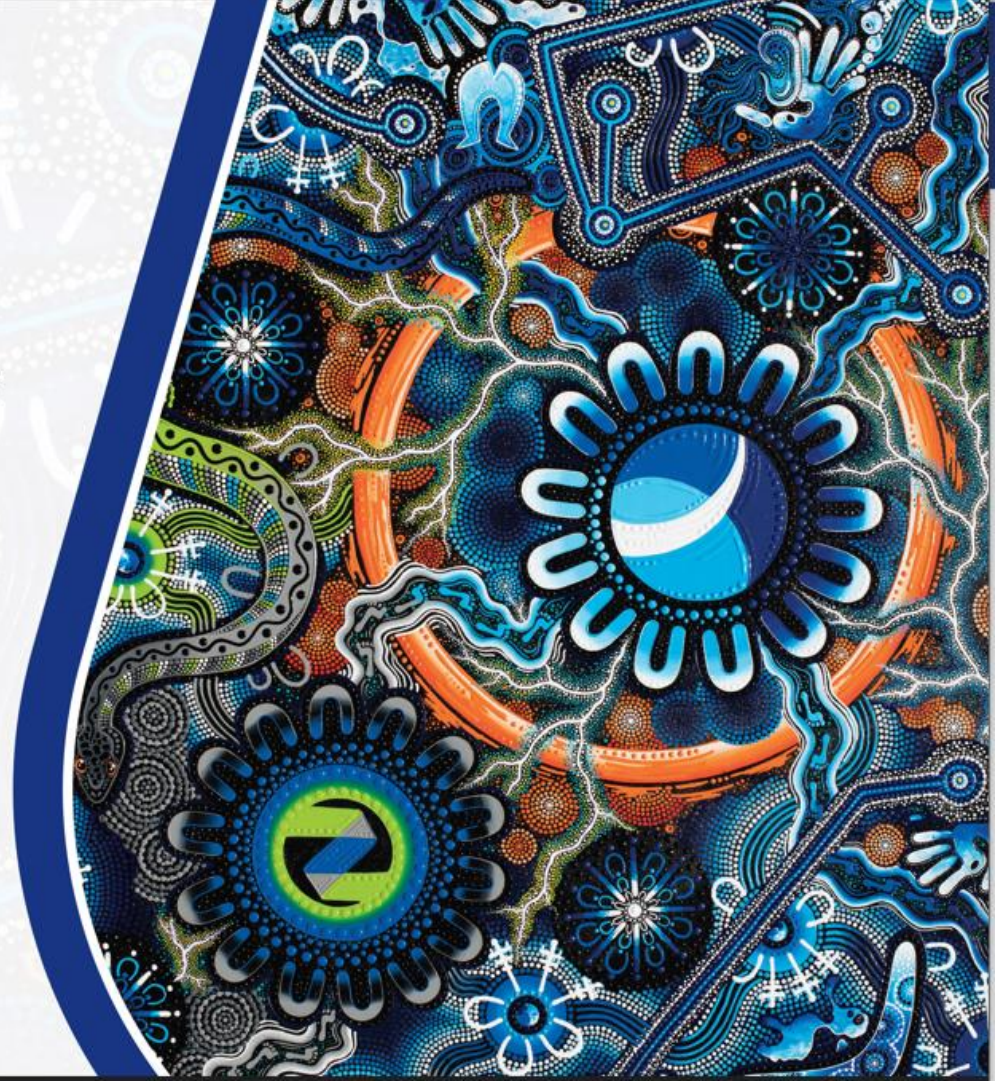


# Jemena Gas Network Major Gas Customer Forum 2023



“We acknowledge the Traditional Owners of the land on which we operate and recognise their continuing connection to our land, waters and culture. We pay our respects to their Elders past, present and emerging.”

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# Agenda

Topic	Speaker
Opening	<b>Brad Gee</b> Key Account Manager
Jemena Group Strategy Our Future	<b>Frank Tudor</b> Managing Director
Gas Access Arrangement 2025-30	<b>Andre Kersting</b> Gas Networks Regulation Manager <b>Merryn Spencer</b> Engagement Lead Gas Networks
Target Net Zero: The Renewable Gas Pathway	<b>Moderator:</b> <b>Sandra Centofanti</b> GM Customer and Commercial <b>Panellists:</b> <b>Shahana McKenzie</b> CEO, Bioenergy Australia Ltd <b>Chris Dolman</b> Business Development Manager – Clean Hydrogen, BOC South Pacific <b>Mike Davis</b> Managing Director, Optimal Renewable Gas
Closing Remarks	<b>Catherine Marshall</b> Evoenergy and Key Accounts Manager

# 2023 Major Customer Forum

## MD Update



Frank Tudor  
Jemena Managing Director

August 2023

*“To hear, to listen, to think.”*

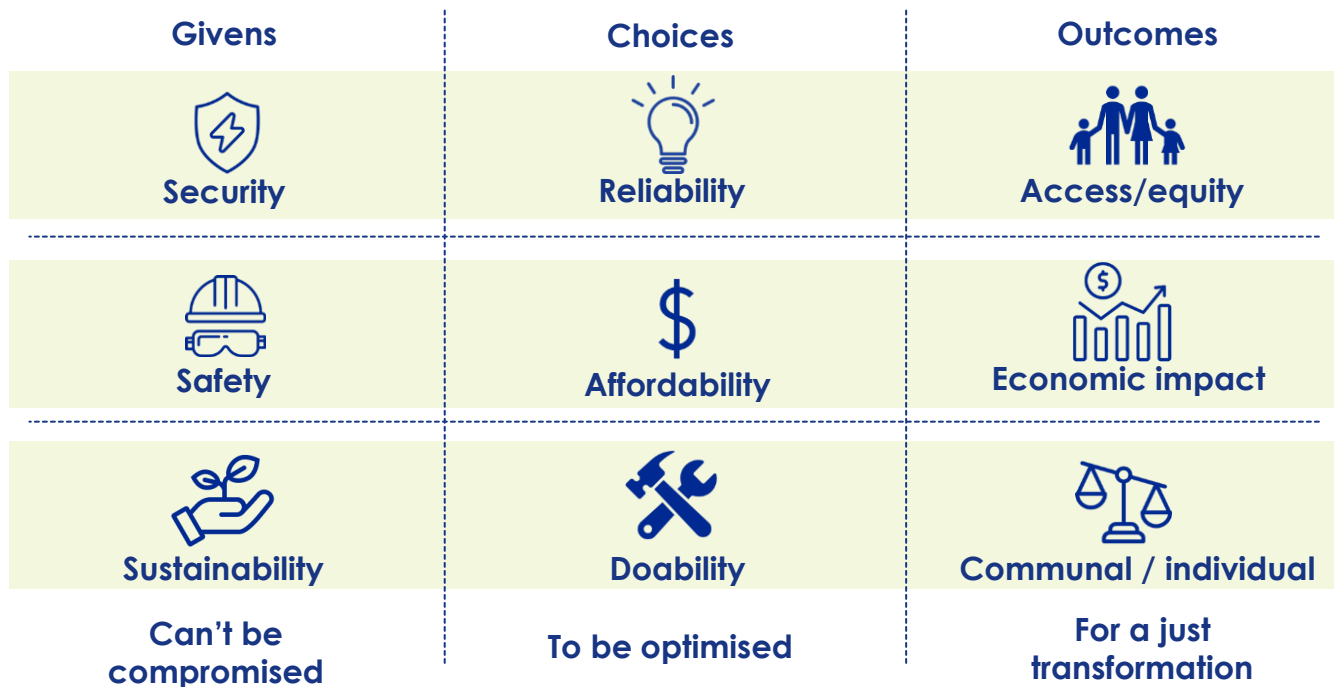


*Right: artwork prepared by Chern'ee Sutton from Mount Isa for Jemena's Reconciliation Action Plan.*

# Recent Market Events



# The Decarbonisation Challenge



# Supporting the Energy Transition

We will keep adapting to the future as we head towards

**NET ZERO EMISSIONS**

by 2050, delivering a mix of fuels and services safely, reliably, and affordably



## Renewable Gas Projects

We're supporting the development of a Renewable Gas sector through our industry leading renewable gas demonstration projects: the Malabar Biomethane Injection Project and the Western Sydney Green Hydrogen Hub.



## Supporting the Grid of the Future

We're evolving our energy grid to support the two-way flow of energy as customers continue to adopt rooftop generation technology and increasingly opt for electric and hydrogen vehicles to replace the current liquid fuel fleet.

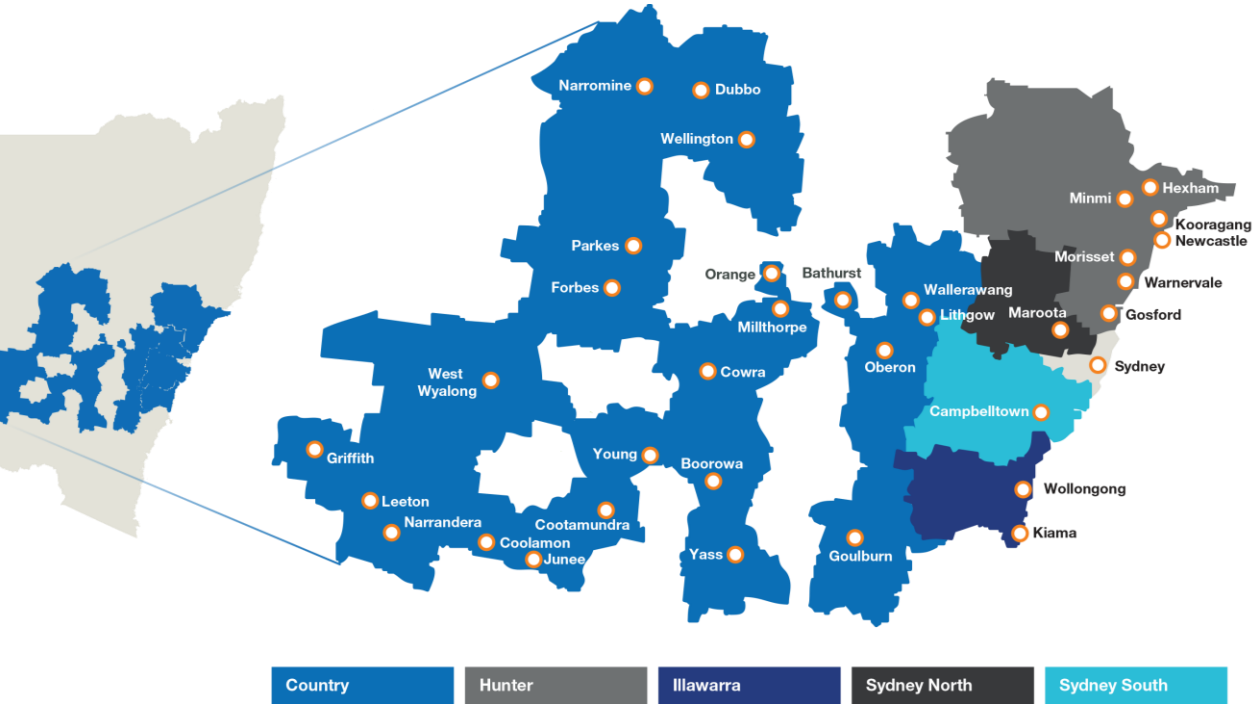


## Building the Energy System of the Future

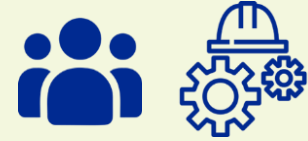
Working across Victoria, New South Wales, Queensland and Tasmania, we deliver maintenance services to electricity transmission and distribution businesses, as well as helping to construct some of the country's most innovative energy projects.



# Jemena Gas Network



## Today



Delivering natural gas to over 1.5 million residential business and industrial sites in Sydney, Newcastle, the Central Coast and Wollongong, as well to customers in more than 20 regional centres, including the Central West, Central Tablelands, South Western, Southern Tablelands, Riverina and Southern Highlands regions.



Over 25,000 kms of gas infrastructure servicing our New South Wales gas distribution network.

# Biomethane Potential

## United States

- 2,300 sites producing biogas across 50 states
- Primary pathway: landfill gas collection

## United Kingdom

- More than 80 biomethane plants connected to the grid
- Green Gas Certification Scheme, Non-Domestic Renewable Heat Incentive, Green Gas Support Scheme
- Mostly injected into low-pressure distribution network, some plants starting to inject into the high-pressure transmission system

## Europe

- Goal of 35 billion cubic metres of biomethane per year by 2030 in the EU
- 20,000 biomethane plants in Europe - 10,000 in Germany alone
- >20% biomethane in Denmark's gas networks and >11% in Italy
- By 2050, biomethane could meet 62% of EU gas demand

## Central America and South America

- Hold ~20% of global bioenergy potential

## Asia

- Holds ~30% of global bioenergy potential
- Policies support household digesters in rural China
- Growth in Thailand in 2000s thanks to enabling policies

Global bioenergy potential

600

Mtoe

(million tonnes of oil equivalent)



# Bringing Additional Gas to Market

## Port Kembla Energy Terminal

- 12km gas transmission pipeline connecting Australia's first LNG import terminal with the Eastern Gas Pipeline.
- Upon completion the Port Kembla Energy Terminal will be able to supply more than 70% of New South Wales' gas requirements.
- Secured advanced-tested pipes capable of handling 100% hydrogen.

## Malabar Biomethane Demonstration Project

- Will initially produce around 95TJs of gas per annum, equivalent to the average annual use of around 6,300 homes. Potential to scale up to produce 200TJs of gas each year – equivalent to usage of approximately 13,300 homes.
- Offtake agreement signed with Origin Energy.

## Western Sydney Green Hydrogen Hub

- Green hydrogen (made using renewable electricity) is produced on site using a 500kW electrolyser.



# Developing our 2025-2030 Pricing and Services Plan



- We have commenced work on our refreshed Pricing and Services Plans for our electricity and gas networks.
- The plans will set out the fees we will charge to operate, maintain, and enhance our networks.



- Our customers are at the heart of our plans; over the next two years we plan on engaging with a range of customers (and their representatives) in a mixture of settings. Our ambition is to ensure our plans respond to what our customers are telling us they want and need from us as their energy distribution business today and in the future.



For more information about the program email:  
[gridtalk@jemena.com.au](mailto:gridtalk@jemena.com.au) or [gasnetworks2050@jemena.com.au](mailto:gasnetworks2050@jemena.com.au)



Above: Jemena's EGM of Networks, Shaun Reardon opens our 2026-2031 Price Reset Project



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## *Thanks to our stakeholders*

- ABC Paper and Paper Mill
- AstraZeneca
- Bisalloy Steels
- Bluescope
- BOC Limited
- Boral
- Borg Manufacturing
- Brickworks
- Cargill Australia Limited
- Cement Australia
- Coca-Cola Europacific Partners
- Coles
- CSR Building Products
- Downer
- Etex Australia

- Fresh Food Corp
- Hawkesbury Eco Asphalt
- Healthscope
- Infrabuild
- Integral Group
- Interface
- Kellogg Australia Pty Ltd
- Kinrise
- Knauf Gypsum
- Molycop
- Monroe Springs Australia
- National Ceramic Industries
- Opal
- Orica
- Pandrol
- Paper Australia

- Genos
- Rheem Australia Pty Ltd
- Shangri-la Sydney
- SIMEC Energy Australia
- Snowy Hydro
- Solvay Interox
- Sugar Australia
- The Council of City of Sydney
- Star Entertainment Group
- Tomago
- UNSW
- Visy
- Weathertex
- Weston Aluminium
- Wilmar Sugar



# Gas Access Arrangement 2025-30

Andre Kersting – Gas Networks Regulation Manager  
Merryn Spencer – Engagement Lead Gas Networks

29 August 2023



Scan the QR code:

or:



GO TO  
**menti.com**

×

ENTER THE CODE  
**2135 3719**

# Access Arrangement: summary of your feedback so far



**Reference service feedback:** majority of large users and retailers indicated that our reference service is likely to meet their future business needs.



**Engagement approach:** large users want two-way engagement, planned and with sufficient notice, meaningful and focused, with transparency and clarity of purpose.



**Access arrangement:** some felt the future of the energy system needs to be considered.

**Renewable gas:** large users are interested in the future of gas and the energy transition, and Jemena's role.

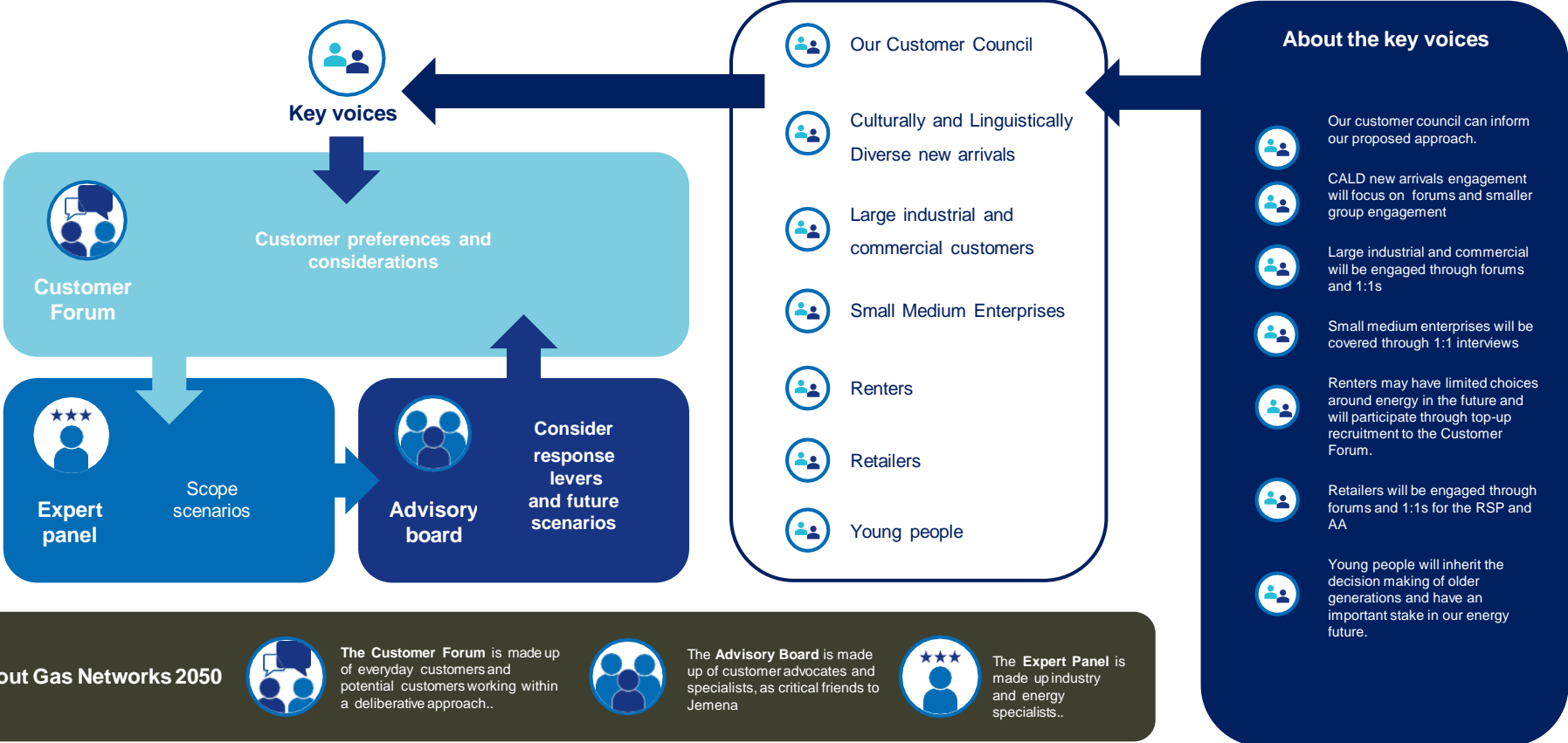


**Supply chain:** large users are interested in the gas industry price throughout the supply chain and where prices get affected.

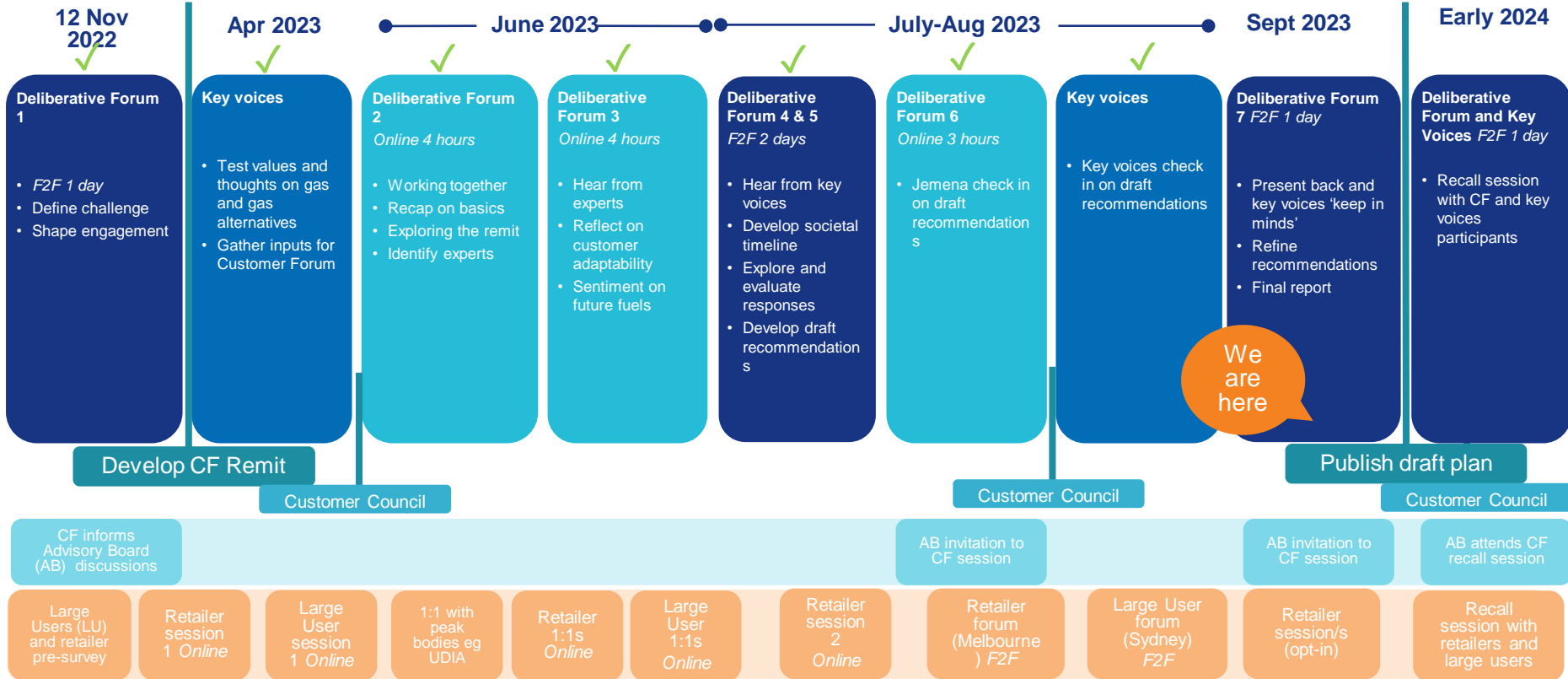
**Asset lives:** details on lifespan, timelines and financial assessment of assets.



# Engagement program for Gas Networks 2050 and the Access Arrangement



# Recap: Access Arrangement engagement program



We are here

## What we've heard from customers so far:

- Choice of gas
- Vulnerable customer initiatives
- Connections
- Willingness to pay for renewable gas and innovation
- Expectations of access into the future
- Reliability and security of supply
- Dealing with uncertainty (across the four demand scenarios) through accelerated depreciation, charging for connections, moving towards renewable gas and permanent disconnections
- Tariff reform options and fairness.

# The Expert Panel scenarios – the future is uncertain

*War-time effort, with ambitious policies for net zero and rapid decarbonisation, supported by customers*



## Scenario 1: Electric Hare

Decarbonisation is supported by strong government policy driving electrification across industry and residential customers, with limited use of green fuels for hard to abate sectors



## Scenario 2: Big Hydrogen

Government policy support underpins a hydrogen export economy with a renewable gas target and certification, subsidies, and tax-offsets, driving down the cost of hydrogen production

*Biomethane focus limited to gas-dependent users and Hydrogen is a niche product.*

Renewable gas penetration

*Biomethane is a stepping stone to the Hydrogen mass market.*



## Scenario 3: Electric Tortoise

Residential customers slowly electrify and industrial users transition to biomethane, as hydrogen remains not commercially viable. Transition is market-led and is less centrally coordinated



## Scenario 4: Market Hydrogen

A near-term technological breakthrough driven by the market results in renewable gases becoming competitive with electrification, creating a diverse energy mix.

Market led vs Government led

*Policy is outcomes-based and low intervention, with a focus on economic affordability. Decarbonisation is driven by the market.*

# AA consultation: the regulatory responses we're exploring to manage uncertainty

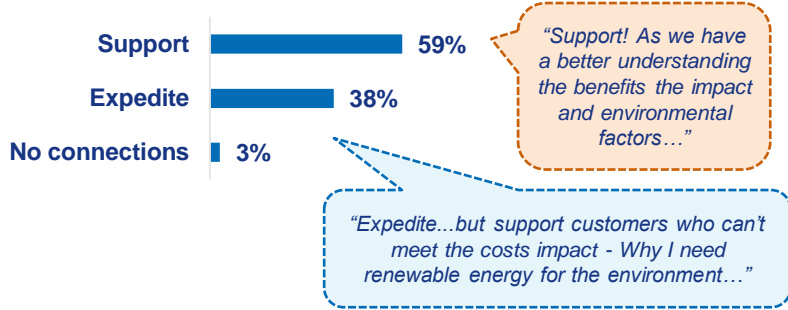
- 1) Moving towards renewable gas
- 2) Accelerating capital recovery
- 3) How Jemena manages its assets
- 4) A new approach to connections
- 5) Supporting vulnerable customers
- 6) Digital metering
- 7) Permanent disconnections



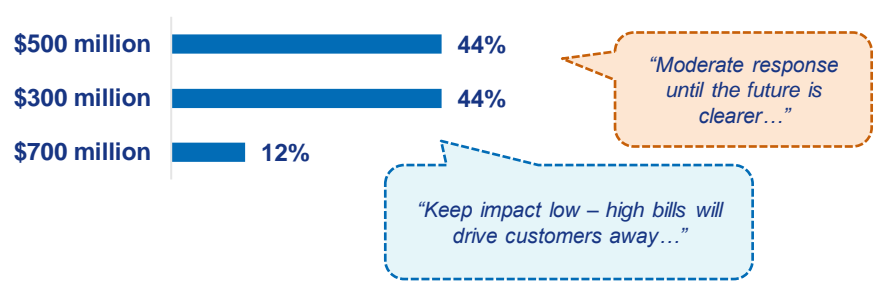
Which of these are of most interest to you?

# Update: what has the customer forum said?

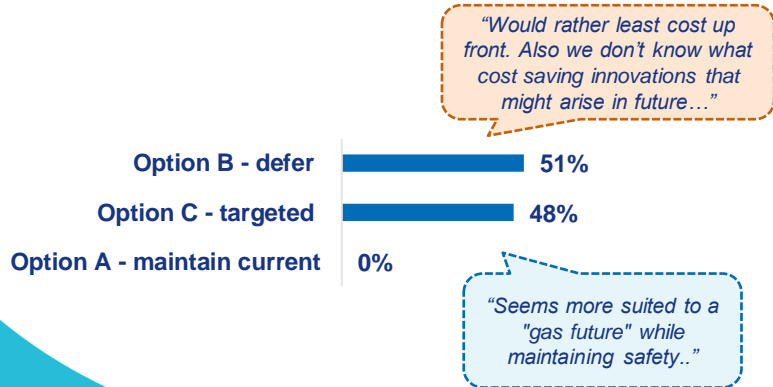
## Moving towards renewable gas



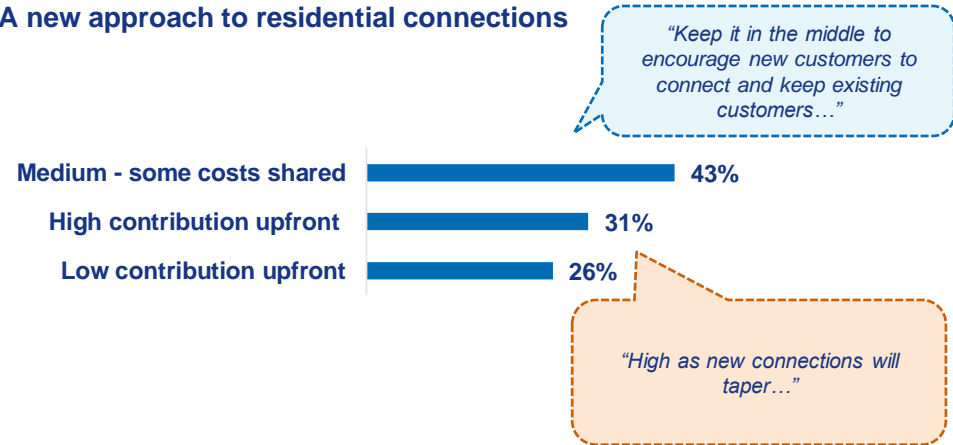
## Accelerating capital recovery



## How Jemena manages its assets

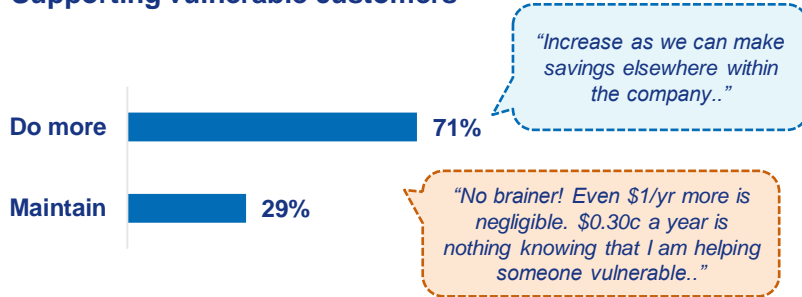


## A new approach to residential connections

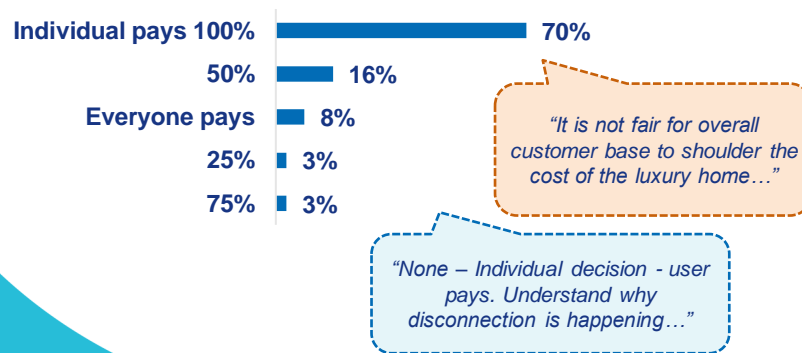


# Update: what has the customer forum said? (continued)

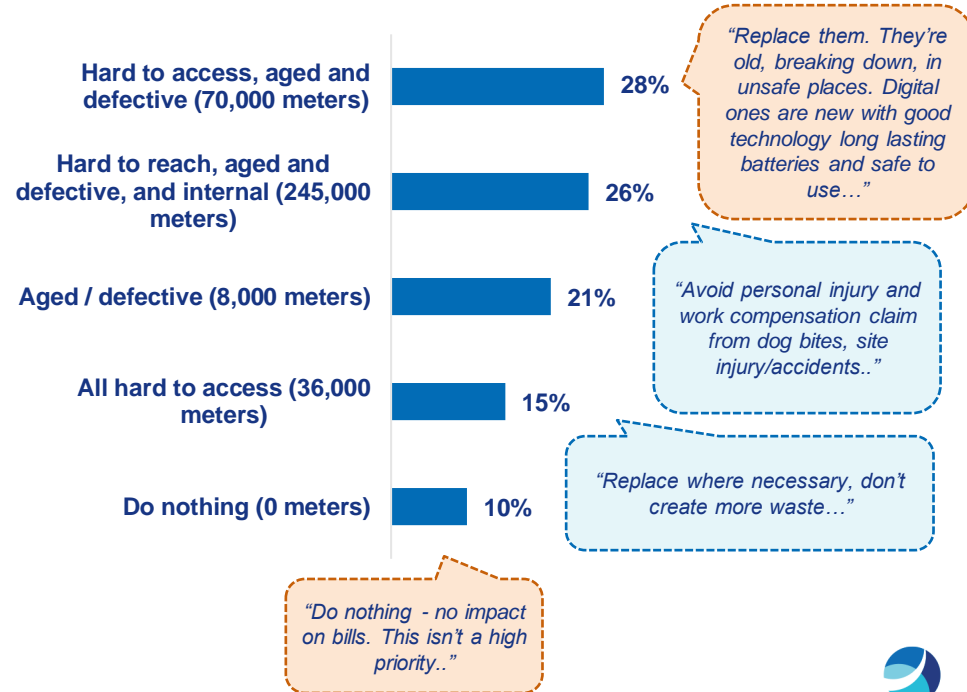
## Supporting vulnerable customers



## Permanent disconnections



## Digital metering



# Update: Consultation with our Youth Customers



# Update: Consultation with our Culturally and Linguistically Diverse Customers



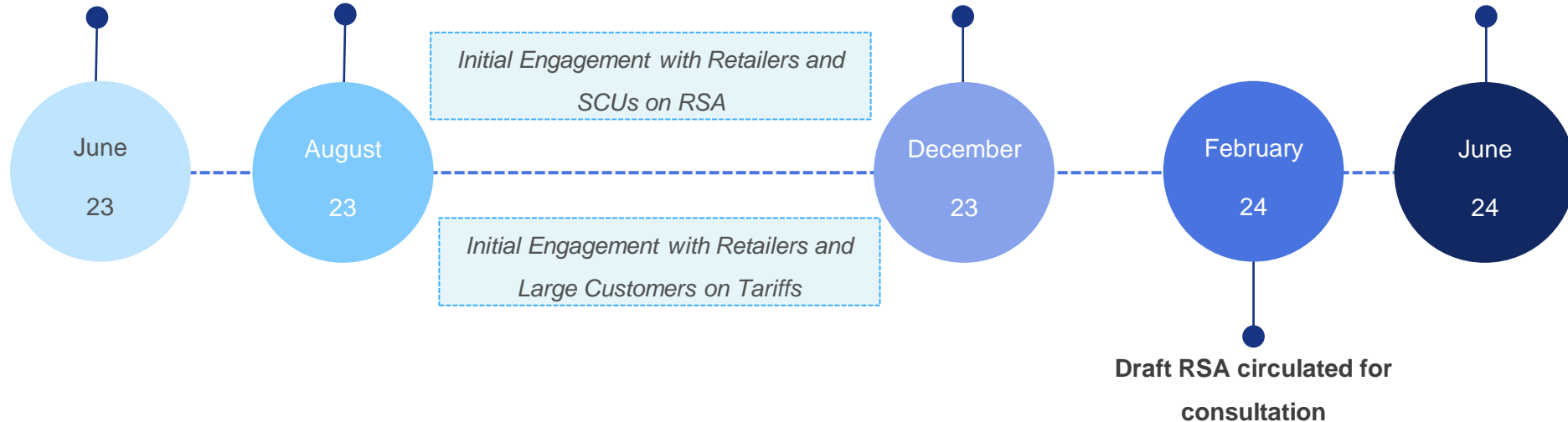


# Coming up: Reference Service Agreement (RSA) and Tariff Engagement

Reference Services  
Proposal Submitted

AER – Reference Services Proposal  
Decision

Initial Proposal to be  
Submitted including  
Draft RSA



Question: Let Brad know who are the right people from your organisation for us to be engaging with?

**Q&A**

**FEEDBACK**

A hand is shown from the bottom, pointing upwards with the index finger. The hand is positioned in front of a glowing yellow rectangular box that contains the word "FEEDBACK" in bold, dark blue capital letters. The background is a blurred bokeh of colorful lights in shades of blue, green, and yellow.

# Target Net Zero: The Renewable Gas Pathway

Sandra Centofanti  
GM Customer and Commercial



# Closing Remarks

Catherine Marshall

