

Collaborative Approaches Changing the National Market

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Australian Domestic Gas Outlook Conference
Friday 2 March 2018

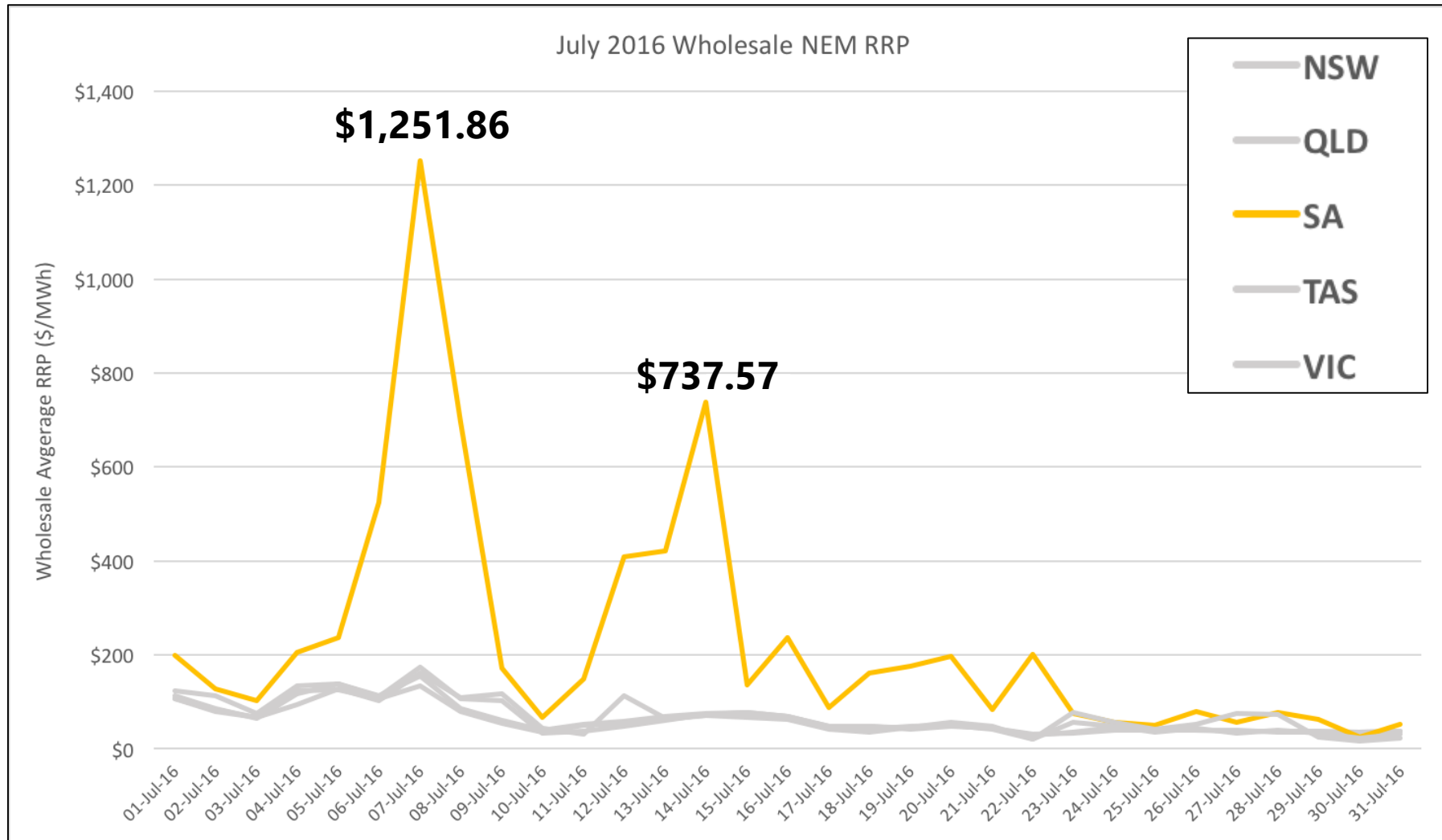
- Leading industry body representing the resources sector in South Australia
 - Facilitate and advocate for change
 - Service the needs of our members
 - Growth of the SA resources sector is a priority for the state
 - SACOME has taken the reigns of SA's electricity crisis
-

Importance of gas to SA electricity



- Half SA's total electricity generation comes from gas sources
 - SA has more installed gas fired generation per capita than any other state in the NEM
 - Largest installed capacity of intermittent renewable generation than any other state in the NEM
 - Gas fired generation traditionally baseload power for SA
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Energy volatility in South Australia

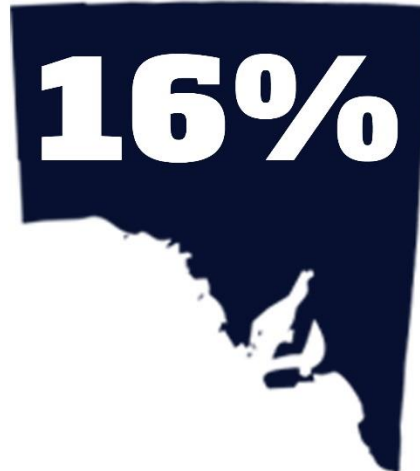


Joint Purchasing Electricity Group Overview **SACOME**

*22
companies*

**267
MW**

16%

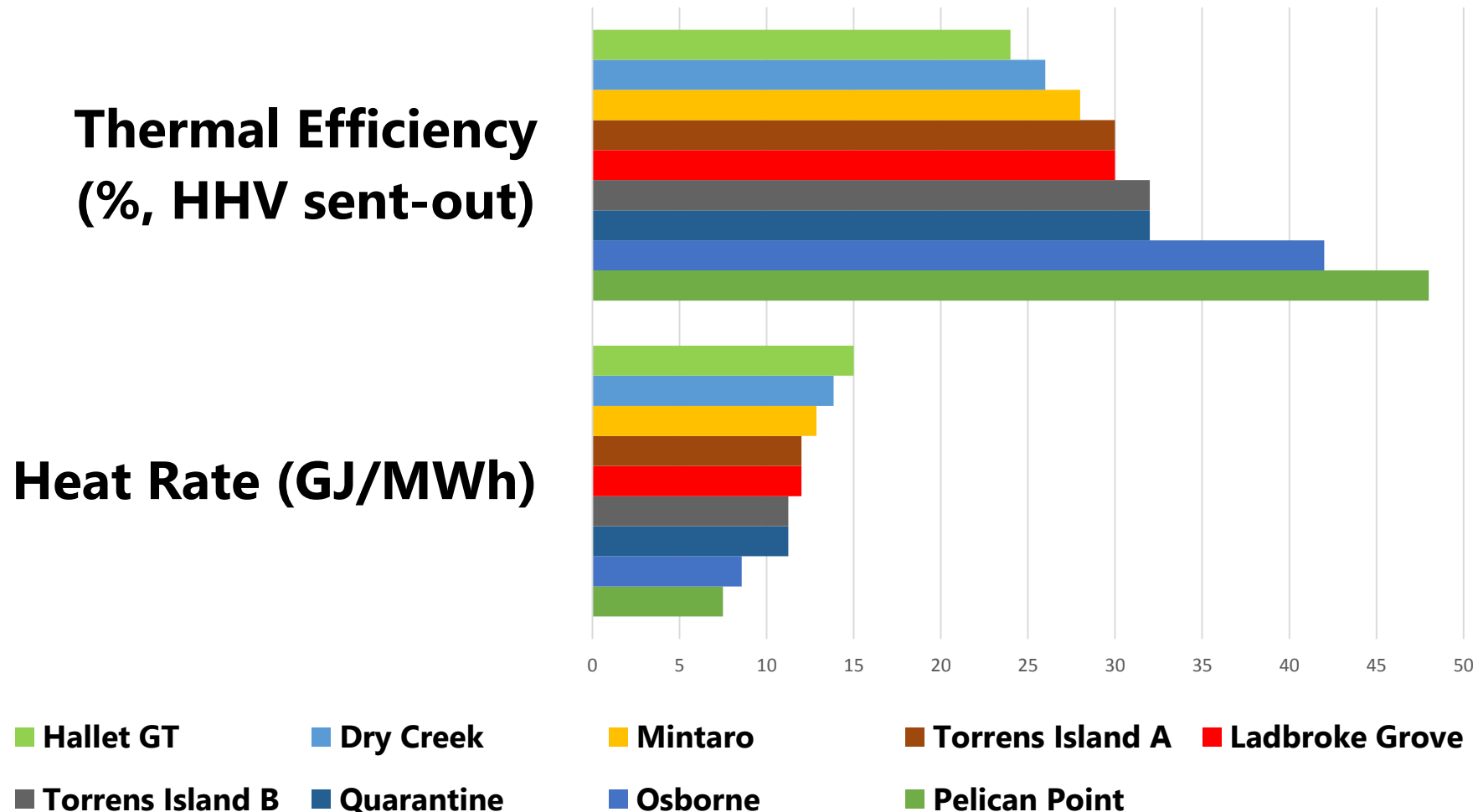


Issues with the NEM

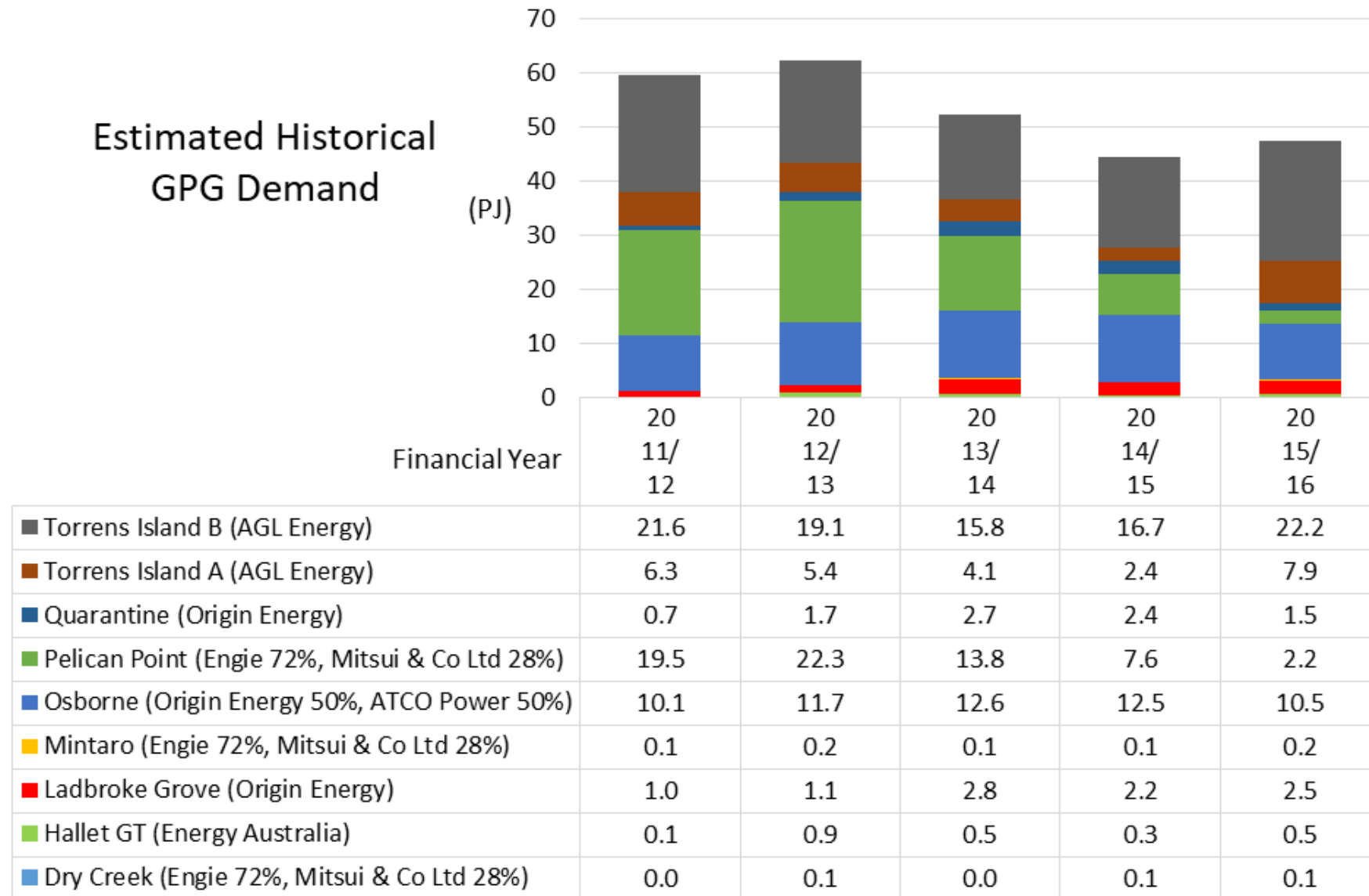
- NEM is undergoing transformational change
- Fossil fuelled generation is being displaced by intermittent, renewable generation
- Challenges in SA: generation mix & risk of separation from the rest of the NEM



Pricing of gas in South Australia



Historical demand of SA gas generation



	Round 1	Round 2	Total
No. applications	9	14	23
No. applicants (total)	6	9	15
Targeted unrisked gas (PJ)	110.82	106.44	217.26 PJ
Follow-up PJs in play	1767.0	189.6	1,956.6 PJ
Grants \$ million	23.78	24.00	47.78
Co-funding \$ million (excluding grants)	174.35	49.11	223.46
No. projects with grants	5	4	9
Companies receiving grants	5	6	8
	Strike- Australian Gasfields Senex-Santos Santos-Beach Beach	Senex Santos-Beach Beach-Cooper Vintage-Rawson	
No. grant operators	4	4	5

- Department of the Premier and Cabinet, 2018

Gas Pipeline Infrastructure

- Requires policy certainty
- Long-term investment
- Impacted by proposals such as interconnector



Moratoria

- Inhibitor of state economic development
- Market distortion
- Drives up the cost of gas



Our Energy Plan (SA Government)

- Decisive intervention
- PACE Gas grants
- Procured backup generation to counteract forecast reserve shortfalls during 2017-18 summer
- Underpinned installation of 100MW lithium ion battery with 10 year contact commitment
- 150MW solar thermal plan is being built in Port Augusta at a projected cost of \$650M



Annual Sponsors

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