Our Ref: A69714335

21 November 2023

Mr Tyson Self
Assistant Director Gas Access
Economic Regulation Authority

By email to: publicsubmissions@erawa.com.au

Dear Mr Self

PROPOSED REVISIONS TO THE ACCESS ARRANGEMENT FOR THE MID-WEST AND SOUTH-WEST GAS DISTRIBUTION SYSTEMS

I provide this submission in response to the issues paper titled "*Proposed revisions to the access arrangement for the Mid-West and South-West Gas Distribution Systems*" published by the Economic Regulation Authority (ERA) on 24 October 2023.

I have limited this submission to matters covered in section 2.4 and 2.6 of the issues paper, as these are the matters relevant to the Department of Mines, Industry Regulation and Safety - Building and Energy Division (Building and Energy) as the State's gas safety and technical regulator. Additionally, I have touched upon some other matters generally relevant to ATCO Gas Australia Pty Ltd's (ATCO) access arrangement submission.

Permanent disconnection service (point 2.4)

The proposed permanent disconnection service appears broadly workable in that it is consistent with the decommissioning requirements in the *Gas Standards (Gas Supply and System Safety) Regulations 2000* (the Regulations). The fact that ATCO has historically offered this service, albeit as a non-reference 'demolition' service (which has been noted in the issues paper), further supports the notion that the proposed service is workable.

Building and Energy's assessment is that this permanent disconnection service will predominantly be used in relation to demolition and property redevelopment activities. Consumers converting from gas to electric appliances might seek this service. However, it is more likely that many consumers will elect to leave their gas service in place as this provides them with cost free flexibility going forward and allows them to avoid the immediate burden of the permanent disconnection fee.

The Formal Safety Assessment (FSA), which is a crucial component of a network operator's safety case, should assist in mitigating safety risks associated with third-party strikes on gas services. The FSA framework deals with a range of risk mitigation measures including design considerations, meter-box positioning, construction practices, leak detection surveys, maintenance protocols, emergency response management, end-of-life replacement programs and guidelines for preventing third-party damage.

With regard to the physical point of disconnection, Building and Energy's view is that this should be at or outside of the boundary of a connected property. This should not be subject to variation where access for disconnection would necessitate disturbance of or damage to a consumer property (e.g. digging up a driveway).

Renewable gases (point 2.6)

Blending low concentrations of renewable gases in Gas Distribution Systems (GDS) is one of the four areas of focus outlined in the 'WA Renewable Hydrogen Roadmap' to partially decarbonise the State's gas sector. Building and Energy notes that ATCO is prioritising blending biomethane and lower concentration hydrogen (up to 10 per cent in volume) in its GDS. As compared to a switch to 100 per cent hydrogen distribution, ATCO's approach raises fewer technical and safety issues and does not necessitate substantial asset modifications.

In the transition to increase the use of renewable gases, consideration of safety implications is crucial. This requires that network operators identify the risks associated with supplying alternative gases and gas mixes through their GDS and to develop and implement controls to mitigate these risks to an acceptable level (ALARP[1]) to ensure adequate protection of the general public, network operator personnel, private property and the GDS.

Building and Energy supports in principle the safety aspects outlined in ATCO's proposed work program, encompassing the integration of safety control measures at injection gas plants and subsequent GDS. It is important to note that any alterations to gas quality supplied through a GDS, commissioning of new facilities or adjustments to GDS operating parameters will require amendments to ATCO's safety case, which will need to be assessed by Building and Energy before implementation.

Other generally relevant matters

Gas inspections

ATCO is responsible for inspecting and ensuring the safety of consumer gas installations connected to its GDS. Building and Energy supports ATCO's submission to establish and execute a new model for directing the performance of remedial work to address unsafe consumer gas installations. The new model will continue to ensure consumer gas installations are made safe in situations where defects are identified by ATCO personnel. The proposed model is also anticipated to alleviate conflicts of interest concerns, uphold integrity, and facilitate the compliance with applicable safety standards.

Leak survey

Leak surveying a GDS is a critical component of maintaining the safety and integrity of the GDS. It involves the systematic inspection and monitoring of gas mains, services, and facilities to identify and address leaks promptly. The Regulations stipulate that a network operator's safety case must comply with the *AS/NZS 4645 Gas distribution networks*. This standard sets out the requirements to frequently leak survey a GDS and ensure that leaks are identified, classified, and repaired accordingly.

Building and Energy supports ATCO's initiative to incorporate the use of a vehicle mounted Picarro leak survey detection technology into their operations, which is aimed at enhancing the effectiveness of the leak survey program. The proposed new technology provides the capability and precision to detect leaks not only on gas mains but also at gas services and meter positions, providing analytical insight that can be leveraged to enhance leak detection, operational efficiency, and replacement processes.

[1] Refer to the normative Appendix B of the Australian/New Zealand Standard AS/NZS 4645.1 Gas distribution networks.

End of life replacement

Under the Regulations, network operators are required to develop and implement a safety case which governs the safe design, construction, operation, maintenance and decommissioning of their GDS.

Replacement of GDS components at the end of their operational lifespans is a crucial control measure used for maintaining the safety of a GDS as aged components pose an increased risks of leakage and/or failure. The timely replacement of these components ensures a GDS's reliability and integrity are maintained. It also reduces the risk of potential incidents and improves the overall safety for the general public and network operator personnel and for improved protection for private property, the environment and the GDS. In this vein, Building and Energy supports ATCO's CAPEX submission as it relates to the replacement of GDS components reaching the end of their operational lifespans.

Conclusion

I trust that the ERA will consider and appropriately prioritise workers and general public safety in its review of ATCO's AA6 submission. Should you have any questions regarding this submission or GDS safety more generally, please contact Mr Mohamed Hammad, Principal Engineer Gas for Building and Energy at [redacted].

Yours sincerely

[redacted]

Saj Abdoolakhan
DIRECTOR OF ENERGY SAFETY