Economic Regulation Authority

Draft decision on revisions to the access arrangement for the Dampier to Bunbury Natural Gas Pipeline (2026 to 2030)

Attachment 2: Demand

7 July 2025

D293483

Acknowledgement of Country

At the ERA we value our cultural diversity and respect the traditional custodians of the land and waters on which we live and work.

We acknowledge their continuing connection to culture and community, their traditions and stories. We commit to listening, continuously improving our performance and building a brighter future together.

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Note

This attachment forms part of the ERA's draft decision on the proposed revisions to the access arrangement for the Dampier to Bunbury Natural Gas Pipeline. It should be read in conjunction with all other parts of the draft decision, which is comprised of the following document and attachments:

- Draft decision on revisions to the access arrangement for the Dampier to Bunbury Natural Gas Pipeline - Overview, 7 July 2025
  - Attachment 1: Access arrangement and services
  - Attachment 2: Demand (this document)
  - Attachment 3: Revenue and tariffs
  - Attachment 4: Regulatory capital base
  - Attachment 5: Operating expenditure
  - Attachment 6: Depreciation
  - Attachment 7: Return on capital, taxation, incentives
  - Attachment 8: Other access arrangement provisions
  - Attachment 9: Service terms and conditions

Attachment 2. Summary

Demand forecasts directly influence the levels of capital and operating expenditure required by the service provider over the access arrangement period. These forecasts serve as a primary input into the revenue model, used to determine the network tariffs the service provider is permitted to charge.

Under the access arrangement, DBP offers three reference services: Full Haul (T1), Part Haul (P1) and Back Haul (B1) services. Demand for these reference services is measured using two metrics: unweighted volume (gas demand) and distance-weighted Full Haul Equivalent (FHE) volume, known as FHE demand. Gas demand comprises contracted capacity and throughput, while FHE demand is derived from the underlying gas demand and is used to calculate the applicable reference tariff. [1] [2]

The DBNGP is a critical domestic energy infrastructure pipeline for Western Australia. It begins in Dampier, in the north, and extends approximately 1,600 kilometres south to Bunbury. The pipeline connects gas production facilities in the north-west to mining, industrial, commercial and residential customers. Emerging gas projects in the Perth Basin, approximately 350 kilometres north of Perth, can supply gas to the DBNGP.[3]

For the sixth access arrangement period (AA6, 1 January 2026 to 31 December 2030), DBP acknowledged that the transition to a net zero emissions economy makes forecasting gas demand more complex. Consequently, DBP has used the contracted capacity of its shippers as the basis for forecast gas demand for reference services over the period.

DBP's approach to forecasting contracted capacity for AA6 aligns with the methodology used for AA5, by using committed contracted capacity, and known additional capacity expected to be finalised during AA6. The forecast excludes any other new capacity that may be required by shippers, with DBP indicating that no further capacity requirements are expected during AA6. DBP's throughput forecast is derived by applying historical utilisation rates (load factors) to the projected contracted capacity.

For this draft decision, the ERA has assessed DBP's gas demand forecast for reference services. We have used information submitted by DBP, actual gas demand for reference services during AA5, stakeholder submissions in response to the ERA's issues paper, as well as information from the Australian Energy Market Operator (AEMO), and Department of Industry, Science and Resources.

The ERA considers that it is not sufficient to only forecast for committed and known additional capacity in DBP's initial proposal. Where new shippers or projects are expected to connect during AA6, the ERA requires DBP to incorporate a reasonable capacity forecast in its revised proposal. This will enhance the robustness of the demand forecast. The ERA has also incorporated some additional contracted capacity for existing contracts, based on additional information provided by DBP in response to information requests in this draft decision.

The ERA considers that using actual AA5 load factors that reflect historical trends is a reasonable approach to forecast gas throughput. For this draft decision, the ERA has revised

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1 DBP, *DBNGP Access Arrangement 2026-2030*, January 2025, section 3 (online) (accessed July 2025).

2 The full haul distance is 1,399 kilometres. The FHE factor of part haul (P1) and back haul (B1) services is the contracted distance proportionate to the full haul distance, with a maximum factor of 1.0 for the full haul (T1) service. The FHE demand is calculated as gas demand multiplied by the FHE factor.

"Contracted capacity" is the volume of gas reserved during the contracted period; whereas "throughput" is the actual volume of gas transported.

3 DBP, *Final Plan 2026-2030*, January 2025 (online) (accessed July 2025).

the throughput forecast using the most recent actual load factor data and has undertaken an assessment at both the contract and shipper levels.

Table 2.1 and Table 2.2 present DBP's gas demand and full haul equivalent (FHE) demand forecast, and the ERA's revised forecast as determined by this draft decision for AA6.

Table 2.1: Reference service gas demand forecast comparison between DBP proposal and ERA draft decision (average TJ/d)

	DBP proposal	ERA draft decision	Variance	Variance %
Contracted capacity				
Full haul	481.4	482.4	1.0	0.2
Part haul	252.0	262.8	10.8	4.3
Back haul	332.6	333.0	0.4	0.1
Total	**1,066.0**	**1,078.2**	**12.2**	**1.1**
Throughput				
Full haul	438.1	439.1	1.0	0.2
Part haul	136.7	149.5	12.8	9.4
Back haul	174.8	229.7	54.9	31.4
Total	**749.6**	**818.3**	**68.7**	**9.2**

Table 2.2: Reference service FHE demand forecast comparison between DBP proposal and ERA draft decision (average TJ/d)

	DBP proposal	ERA draft decision	Variance	Variance %
Contracted capacity (FHE)				
Full haul	481.4	482.4	1.0	0.2
Part haul	34.8	37.9	3.1	8.9
Back haul	32.4	32.4	0.0	0.0
Total	**548.6**	**552.7**	**4.1**	**0.8**
Throughput (FHE)				
Full haul	438.1	439.1	1.0	0.2
Part haul	26.6	29.7	3.1	11.7
Back haul	16.4	22.7	6.3	38.4
Total	**481.1**	**491.5**	**10.4**	**2.2**

Summary of Required Amendments

Required Amendment 2.1

DBP is required to amend the gas demand and Full Haul Equivalent (FHE) demand forecasts in its revised proposal to reflect the following:

- The ERA's forecast values as set out in Table 2.8 and Table 2.9 in Draft Decision Attachment 2.
- The ERA's determinations as outlined in paragraph 46 to 47 in Draft Decision Attachment 2.
- Any additional demand that DBP becomes aware of prior to the submission of its revised proposal.

Regulatory requirements

1. The *National Gas Access (WA) Act 2009* implements a modified version of the National Gas Law (NGL) and National Gas Rules (NGR) in Western Australia. The rules referenced in this decision are those that apply in Western Australia.[4]

2. Further to preparing an access arrangement proposal for approval, the NGR requires the service provider to prepare and submit Access Arrangement Information (AAI).[5] AAI is information that is reasonably necessary for users (including prospective users) to understand the background to the access arrangement; and the basis and derivation of the various elements of the access arrangement.[6]

3. AAI must include any information that is specifically required by the NGL and NGR. Rule 72 sets out specific requirements for AAI relevant to price and revenue regulation and includes the following information needs related to demand:

    - Where the access arrangement period commences at the end of an earlier access arrangement period, AAI for a transmission pipeline must include the following usage information over the earlier access arrangement period:
        - Minimum, maximum and average demand for each receipt or delivery point.
        - User numbers for each receipt or delivery point.
    - To the extent it is practicable to forecast pipeline capacity and use of pipeline capacity over the access arrangement period, AAI must include a forecast of pipeline capacity and use of pipeline capacity over that period and the basis on which the forecast has been derived.

4. Where forecasts and estimates are provided, they must adhere to the requirements set out in rule 74:

    - The forecast or estimate must be supported by a statement that sets out the basis for the forecast or estimate.
    - The forecast or estimate must be arrived at on a reasonable basis and must represent the best forecast or estimate possible in the circumstances.

5. Additionally, under rule 75, any information that is inferred or derived from other information must be supported by the primary information on which the extrapolation or inference is based.

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4 The current rules that apply in Western Australia are available from the Australian Energy Market Commission: AEMC, 'National Gas Rules (Western Australia)' (online) (accessed July 2025).
At the time of this decision, *National Gas Rules – Western Australia version 12 (1 February 2024)* was in effect.

5 NGR, rule 43.

6 NGR, rule 42.

DBP proposal

6. Under the access arrangement, DBP offers three reference services: Full Haul (T1), Part Haul (P1) and Back Haul (B1) services. Demand for these reference services is measured using two metrics: unweighted volume (gas demand) and distance-weighted FHE volume (or FHE demand). Gas demand comprises contracted capacity and throughput, while FHE demand is derived from the gas demand and is used to calculate the applicable reference tariff. [7, 8]

7. In AA5, 46 per cent of gas demand came from the mining sector, 35 per cent from the industrial sector, 16 per cent from the electricity sector and the remaining 3 per cent from retail/distribution and other sectors.[9]

8. For AA6, DBP acknowledged that the ongoing transition to a net zero emissions economy adds complexity to forecasting gas demand. Consequently, DBP has used the contracted capacity of its shippers as the basis to forecast gas demand for reference services over the period, consistent with the approach used during the AA5.

9. DBP's forecast for contracted capacity during AA6 is based on committed contracted capacity and known additional capacity that is expected to be finalised during AA6. This was the same approach adopted for the AA5 period. DBP has forecast 1,947 petajoules (PJ) of contracted capacity for the period, which represents a reduction of 459 PJ compared to AA5.[10] The reduction is attributed to:

    - A declining trend in actual contracted capacity among existing shippers during AA5.
    - Expiring gas transportation contracts with DBP, and gas offtake contracts with a gas producer during AA6.
    - Shippers transitioning to other energy sources, such as renewables and battery storage, particularly for electricity generation.

10. DBP has excluded demand from potential new mining and industrial projects that may become operational during AA6, citing a lack of detail on gas transportation requirements and ongoing uncertainties in commodity markets.[11]

11. The throughput forecast is derived by applying historical utilisation rates (load factors) from AA5 to the forecast contracted capacity. DBP has forecast 1,369 PJ of throughput for the period, which is 271 PJ less than the throughput in AA5. This reduction is primarily driven by the reduction in the forecast contracted capacity and expected curtailments of production operations among some shippers.[12]

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7 DBP, *DBNGP Access Arrangement 2026-2030*, January 2025 (online) (accessed July 2025).

8 The full haul distance is set at 1,399 kilometres. The FHE factor of part haul (P1) and back haul (B1) services is the contracted distance proportionate to the full haul distance, with a maximum factor of 1.0 for the full haul (T1) service. The FHE demand is calculated as gas demand multiplied by the FHE factor.

"Contracted capacity" is the volume of gas reserved during the contracted period; whereas "throughput" is the actual volume of gas transported.

9 DBP, *Final Plan 2026-2030*, January 2025 (online) (accessed July 2025).

10 The projection to the end of AA5 includes actuals up to 2024 and forecast in 2025.

11 DBP, *Attachment 13.1, Further Information on Demand January 2025 (confidential)*.

12 The projection to the end of AA5 includes actuals up to 2024 and forecast in 2025.

12. DBP benchmarked its throughput forecast against AEMO's 2024 Gas Statement of Opportunities (GSOO) and identified reasons for differences in the forecasts, which include gas flow from interconnected transmission pipelines, the potential reactivation of previously curtailed operations in the mining processing and industrial sector, fuel switching by industrial shippers, the potential for connections from new projects or new shippers, and gas demand associated with DBP's non-reference services.

13. DBP's gas demand and FHE demand forecasts for reference services during AA6 are shown in Table 2.3 and Table 2.4.

Table 2.3: DBP reference service gas demand forecast for AA6 (TJ/d)

	2026	2027	2028	2029	2030
Contracted capacity					
Full haul	481.3	494.3	489.3	469.5	472.5
Part haul	265.1	262.0	245.0	244.0	244.0
Back haul	332.6	332.6	332.6	332.6	332.6
Total	**1,079.0**	**1,088.9**	**1,066.9**	**1,046.1**	**1,049.1**
Throughput					
Full haul	458.9	443.7	434.9	424.1	429.0
Part haul	144.9	144.4	131.9	131.2	131.2
Back haul	174.8	174.8	174.8	174.8	174.8
Total	**778.6**	**762.9**	**741.6**	**730.1**	**735.0**

Source: DBP, Final Plan 2026-2030, January 2025, p. 127.

Table 2.4: DBP reference service FHE demand forecast for AA6 (TJ/d)

	2026	2027	2028	2029	2030
Contracted Capacity (full haul equivalent)					
Full haul	481.3	494.3	489.3	469.5	472.5
Part haul	30.6	34.9	34.2	37.2	37.2
Back haul	32.4	32.4	32.4*	32.4	32.4
Total	**544.3**	**561.6**	**555.9**	**539.1**	**542.1**
Throughput (full haul equivalent)					
Full haul	458.9	443.7	434.9	424.1	429.0
Part haul	22.3	26.7	25.9	28.9	28.9
Back haul	16.4	16.4	16.4	16.4	16.4
Total	**497.6**	**486.8**	**477.2**	**469.4**	**474.3**

Source: DBP, Final Plan 2026-2030, January 2025, p. 127.

**In DBP's Final Plan this is shown as 2.4. The ERA has confirmed that this is a typographical error, with the correct value being 32.4.*

Submissions

14. The ERA received four submissions addressing DBP's demand forecast for AA6.

15. Alinta Energy expressed concerns that incorporating uncontracted gas demand in the forecast may overstate overall gas demand, and that the throughput forecast could be significantly influenced by commercial decisions made by a small number of larger shippers. Furthermore, Alinta noted that AEMO's 2024 GSOO gas demand forecast incorporated a broader range of variables and was not limited to the DBNGP.[13]

16. Horizon Power recommended that DBP's gas demand forecast should include uncontracted capacity where there is reasonable certainty that the demand for capacity will materialise during AA6.[14]

17. NewGen Power Kwinana considered that basing gas demand forecast solely on firm contracts was conservative and should be viewed as a minimum baseline for the overall forecast. NewGen stated that while the use of firm contracts was an appropriate starting point for developing the gas demand forecast, it was unclear whether DBP's forecast represented "the best forecast or estimates possible", as required under the NGR. NewGen further suggested that the forecasts should include a reasonable estimate of uncontracted volumes.[15]

18. Wesfarmers Chemicals, Energy and Fertilisers (WesCEF) raised concerns that the public version of DBP's proposal lacked sufficient transparency for stakeholders to assess whether the demand forecasts complied with the NGR. WesCEF recommended that DBP should publish its confidential submission on the throughput forecast reconciliation against AEMO's 2024 GSOO, noting that the GSOO is a public document. WesCEF also recommended that DBP use a variety of data sets, apply a transparent method, and consider the impact of recent policy developments, such as the Commonwealth Government's Future of Gas Strategy and the Western Australian Government's Domestic Gas Policy.[16]

[13] Alinta Energy, *Submission in response to DBP proposal and/or ERA issues paper*, 1 April 2025.

[14] Horizon Power, *Submission in response to DBP proposal and/or ERA issues paper*, 26 March 2025.

[15] NewGen Power, *Submission in response to DBP proposal and/or ERA issues paper*, 31 March 2025.

[16] Wesfarmers Chemicals, Energy & Fertilisers, Submission in response to DBP proposal and/or ERA issues paper, 31 March 2025.

Draft decision

AA5 demand

19. For AA5, DBP has published maximum, average and minimum throughput demand of reference services in Table 2.5.

Table 2.5: Actual throughput demand of reference services (TJ/d)

	2021 (actual)	2022 (actual)	2023 (actual)	2024 (forecast)	2025 (forecast)
Full Haul T1					
Maximum	610.1	600.6	601.4	488.7	454.2
Average	562.8	550.2	536.8	488.7	454.2
Minium	494.6	480.8	459.2	488.7	454.2
Part Haul P1					
Maximum	204.7	173.5	210.2	123.3	129.7
Average	107.8	124.8	140.8	123.3	129.7
Minium	64.3	77.9	81.4	123.3	129.7
Average Full Haul Equivalent	18.4	17.4	26.0	N/A	N/A
Back Haul B1					
Maximum	313.5	316.3	363.0	276.5	268.7
Average	268.0	271.9	282.0	276.5	268.7
Minium	161.2	165.1	172.0	276.5	268.7
Average Full Haul Equivalent	19.5	20.2	20.4	N/A	N/A

Source: DBP, Final Plan 2026-2030, January 2025, p.125

20. DBP also published inlet and outlet points with respective number of shippers as shown in Table 2.6.

Table 2.6: Inlet and outlet points (as at November 2024)

	Number of shippers
Inlet point	
DDR	24
Pluto	19
MLV7 Interconnect	6
Devil Creek	22
Gorgon	26
Macedon	24
Wheatstone	23
Varanus Island	25
Waitsia	7
Mondarra	9
Outlet point	
Full Haul	14
Part Haul	20
Back Haul	21

Source: DBP, Final Plan 2026-2030, January 2025, p.126.

AA6 demand forecast

21. The ERA has reviewed DBP's reference services' demand forecast for AA6. The ERA has considered a range of inputs, including:

    - Information provided by DBP in both public and confidential submissions.
    - AA5 demand data.[17]
    - Submissions from stakeholders.
    - AEMO's 2024 GSOO, and 2024 Electricity Statement of Opportunities (2024 ESOO) for Western Australia's Wholesale Electricity Market (WEM).
    - The Resources and Energy Quarterly March 2025 publication by the Department of Industry, Science and Resources.

22. The ERA considers it appropriate for DBP to rely on committed and known additional contracted capacity as the basis for forecasting contracted capacity during AA6. The

[17] AA5 demand data includes actual up to 2024 and forecast in 2025.

ERA also supports the use of historical load factors and trends as the basis for forecasting throughput.

23. However, the ERA considers that potential new capacity (uncontracted capacity) from new shippers and projects anticipated to connect during AA6 should also be incorporated into the demand forecast. This view is supported by a number of stakeholders. Incorporating this capacity is expected to enhance the robustness of the forecast, particularly in light of actual outcomes during AA5, which demonstrated a significant increase in FHE contracted capacity from 2023 compared to the forecast in AA5, including capacity from new shippers added during the period (Table 2.7). The ERA's consideration on the potential uncontracted capacity is discussed below (paragraphs 40 to 43).

Table 2.7: FHE demand comparison between AA5 forecast and AA5 actual

		2021	2022	2023	2024
Total contracted capacity (FHE)					
AA5 forecast	TJ/d	650.1	633.7	614.5	562.6
AA5 actual	TJ/d	657.2	650.4	672.4	663.3
Variance actual vs FD	%	1.1	2.6	9.4	17.9
Total throughput (FHE)					
AA5 forecast	TJ/d	586.9	572.0	554.5	513.1
AA5 actual	TJ/d	600.1	587.8	580.5	538.3
Variance actual vs FD	%	2.3	2.8	4.7	4.9

Source: DBP, 2024 Regulatory Information Notice data.

24. The ERA's detailed assessment of DBP's gas demand forecast for AA6 is provided in the following sections.

Assessment of contracted capacity for existing shippers

25. Compared to actual contracted capacity for AA5, DBP's forecast contracted capacity for AA6 is expected to be lower, with any increase from some shippers more than outweighed by decreases from other shippers. The ERA's assessment of this forecast reduction is detailed in the following sections.

Reduction based on historical trend

26. The ERA considers that DBP's forecast reduction in contracted capacity for some contracts, based on the historical trend observed during AA5 is reasonable.

27. A significant portion of this decline is attributed to the observed decrease in [redacted] demand that is part of the Part Haul (P1) and Back Haul (B1) reference services, as well as known operational curtailments affecting certain existing shippers in the mineral processing and industrial sectors. These curtailments account for approximately 51 per cent of the reduction in contracted capacity under the Full Haul (T1) reference service.

Reduction due to expiration of gas offtake contract with the producer

28. In contrast to DBP's proposal, the ERA considers it reasonable to assume that a shipper in the gas distribution and power generation sectors, with an expiring gas offtake contract with the producer during AA6, will seek to extend these contracts to maintain continuity of supply to its customers. The underlying gas demand from the gas distribution network and power generation sectors is not expected to materially decline over the AA6 period.[18]

29. On this basis, the associated gas transportation contract should also be assumed to extend and be included in the forecast for the remaining years of AA6. DBP has not included this capacity in its initial proposal. The ERA has forecast the contracted capacity for the remaining years of AA6 in this draft decision. The forecast is based on the level of the existing contracted capacity with DBP.

Reduction due to expiration of gas transportation contracts

30. The ERA has evaluated the rationale for the exclusion of contracted capacity associated with transportation contracts expiring during AA6, as outlined in the confidential supplementary information submitted by DBP.

31. The ERA accepts some exclusions, based on factors such as the potential cessation of operations under administration, the cessation of production activities, and instances where operations have been acquired by existing shippers on the DBNGP whose capacity is already accounted for in DBP's forecast.

32. In the supplementary information provided, DBP advised that, since the submission of its initial proposal, some shippers with expiring contracts have expressed an intention to extend those contracts. The ERA has incorporated these anticipated extensions into this draft decision.

33. With respect to the remaining expiring contracts, the ERA considers it reasonable to include the associated contracted capacity in the AA6 forecast, in the absence of evidence that gas will not be required for the relevant operations. Accordingly, the ERA has assumed these contracts will be renewed at the levels consistent with those in AA5, and has included these in the contracted capacity forecast in this draft decision.

Reduction due to switching to renewable sources in the power generation sector

34. One shipper operating in the gas power generation sector has significantly reduced its contracted capacity in AA6. This reduction is reflected in the shipper's contracts for a Full Haul (T1) reference service, accounts for approximately 27 per cent of the decline in contracted capacity in the Full Haul (T1) reference service.

35. The ERA reviewed AEMO's 2024 GSOO and 2024 ESOO data, which project an increase in power generation from anticipated renewable energy and energy storage developments within the South West Interconnected System (SWIS) during AA6.

36. The shipper's gas transportation contracts indicate a corresponding increase in demand for non-reference services, including the Peaker Service and Other Reserved Service. This trend suggests that gas power generation capacity is increasingly being reserved

[18] In the ERA's 2024 final decision on the Mid-West and South-West Gas Distribution Systems access arrangement, the gas usage was expected to increase from 28.1 PJ in 2025 to 30.4 PJ in 2029.

for peak power demand, with reduced utilisation for baseload supply in the SWIS, as new renewable and energy storage projects come online.

37. The ERA notes that the shipper has entered into firm reference service contracts with DBP at reduced capacity compared to AA5, based on the anticipated commissioning of new renewable energy and energy storage projects in AA6. However, the ERA requires DBP in its revised proposal to comprehensively address the following concerns and update its forecast accordingly:

- The risks associated with the potential delays in the commissioning of these renewable energy and energy storage projects.
- The role of gas power generation in supporting system reliability by supplementing renewable energy sources.

Reduction due to switching to renewable energy sources in the mining sector

38. Confidential supplementary information provided by DBP indicates that a shipper operating within the mining sector intends to transition to renewable energy sources for onsite power generation during AA6. On this basis, DBP has assumed that the shipper is unlikely to renew its gas transportation contracts during AA6.

39. The ERA considers that, in the absence of firm confirmation from the shipper that its gas requirement will cease, DBP should reassess the likelihood of continued gas demand from the shipper. Unless DBP provides conclusive evidence demonstrating that the shipper will not require gas beyond its existing contractual commitments, DBP should incorporate a reasonable forecast extending beyond the shipper's current contractual period in its revised proposal.

Assessment of uncontracted capacity

40. The ERA has evaluated DBP's proposal to exclude potential new capacity required by shippers (uncontracted capacity) in AA6. Such uncontracted capacity would encompass, but not be limited to, prospective new developments identified in AEMO's 2024 GSOO.[19]

41. Uncontracted capacity is attributable to both new shippers that may connect to the DBNGP during AA6, and existing shippers with anticipated expansions in their operations. Key sources of such uncontracted capacity include:

- New and expanding mining operations, particularly in commodities such as lithium, rare earths, gold and iron ore. Production for these mineral resources within Australia is expected to increase during AA6. [20]
- A transition towards the use of gas as a primary energy source within the mineral processing sector.
- New and expanding industrial operations using natural gas as feedstock.

[19] AEMO, *2024 Western Australia Gas Statement* (online) (accessed July 2025).

[20] Department of Industry, Science and Resources, *Resources and Energy Quarterly March 2025* (online) (accessed July 2025).

42. The ERA considers the exclusion of certain uncontracted capacity from the AA6 forecast to be appropriate, based on the following consideration:

- Project timing and investment status: A number of prospective developments are expected to commence operations later in AA6 and have not yet reached a final investment decision. The absence of a final investment decision introduces significant uncertainty, particularly with the respect to timing and delivery, therefore warranting their exclusion form the forecast.

43. However, the ERA considers that, DBP should include a detailed assessment of gas transportation requirements, and provide a reasonable forecast, where appropriate, in its revised proposal, for the following circumstances:

- Projects under active development: Where new projects or facilities are expected to be commissioned during AA6.
- Planned expansions of existing facilities*:* Where operational facilities have planned expansions, or commissioning scheduled during AA6.
- Ongoing transition to natural gas: Where a transition to natural gas as a primary energy source has already commenced and is anticipated to continue throughout AA6.

Assessment of gas throughput

44. The ERA has assessed the throughput forecasts submitted by DBP. The ERA considers it reasonable to adopt DBP's approach of basing the throughput forecast on historical load factors and established trends. The ERA also considers DBP's approach of explaining variances from AEMO's gas usage forecast to be reasonable.[21]

ERA draft decision

45. The ERA's draft decision incorporates additional contracted capacity based on the considerations outlined above, where DBP has provided additional forecast information, and the ERA is able to estimate the demand from the existing contract commitments. The additional capacity includes:

- Updates provided by DBP following its initial submission, including revisions to the forecast in DBP's initial proposal and from existing shippers notifying DBP of intentions to extend expiring contracts during AA6.[22]
- An existing shipper in the gas distribution and power generation sectors, for which the ERA assumes a renewal of the gas offtake contract with gas producers leading to the extension of the gas transportation agreement with DBP during AA6 (paragraph 28 to 29).
- Expiring contracts during AA6 that DBP has assumed will not be renewed, but without evidence demonstrating that gas will not be required for the relevant operations (paragraph 30 to 33).

[21] DBP, *Final Plan 2026-2030, Attachment 13.1: Further Information on Demand, January 2025 (confidential).*

[22] DBP responses to ERA information requests ERA02, ERA05, ERA06, ERA09 and ERA11.

46. The ERA has not made adjustments to the contracted capacity forecast in the following circumstances:

- Potential gas demand arising from shippers transitioning to renewable energy sources, particularly within the power generation and the mining sectors (paragraph 34 to 39).
- Potential gas demand from shippers with new projects under active development, planned expansion of excising facilities, or an ongoing transition to natural gas as a primary energy source (paragraph 40 to 43).

47. However, DBP is required to undertake further analysis and incorporate any reasonable projections for the contracted capacity in its revised proposal for these projects. The ERA will also evaluate the capacity requirements for these projects following the draft decision and will make any necessary adjustments to the contracted capacity forecast in the final decision.

48. The ERA has revised the throughput forecast by incorporating the most recent actual load factors from AA5, both at the contract and shipper levels. The ERA has capped the maximum load factor to 1.0, which is consistent with the method adopted by DBP. The ERA also included updated throughput forecasts from DBP in response to the ERA's information request.[23]

49. For this draft decision, the ERA's gas demand forecast for AA6 comprises 1,969 PJ of contracted capacity and 1,494 PJ of throughput. The FHE demand is based on the revised gas demand and distance in DBP's initial proposal. The ERA's demand forecast for reference services during AA6 are shown in Table 2.8 and Table 2.9.

Table 2.8: ERA draft decision reference service gas demand forecast for AA6 (TJ/d)

	2026	2027	2028	2029	2030
Contracted capacity					
Full haul	482.3	495.3	490.3	470.5	473.5
Part haul	273.9	270.8	253.8	257.8	257.8
Back haul	334.6	332.6	332.6	332.6	332.6
Total	**1,090.8**	**1,098.7**	**1,076.7**	**1,060.9**	**1,063.9**
Throughput					
Full haul	459.9	444.7	435.9	425.1	430.0
Part haul	155.9	155.3	142.9	146.8	146.8
Back haul	230.4	229.5	229.5	229.5	229.5
Total	**846.2**	**829.5**	**808.3**	**801.4**	**806.3**

[23] DBP responses to ERA information requests ERA06 and ERA11.

Table 2.9: ERA draft decision reference service FHE demand forecast for AA6 (TJ/d)

	2026	2027	2028	2029	2030
Contracted capacity (FHE)					
Full haul	482.3	495.3	490.3	470.5	473.5
Part haul	33.7	38.1	37.3	40.3	40.3
Back haul	32.4	32.4	32.4	32.4	32.4
Total	**548.4**	**565.8**	**560.0**	**543.2**	**546.2**
Throughput (FHE)					
Full haul	459.9	444.7	435.9	425.1	430.0
Part haul	25.5	29.8	29.1	32.0	32.0
Back haul	22.7	22.7	22.7	22.7	22.7
Total	**508.1**	**497.2**	**487.7**	**479.8**	**484.7**

50. DBP's revised demand forecast in response to this draft decision should incorporate new information and 2024 actual demand that would affect the demand forecast.

Required Amendment 2.1

DBP is required to amend the gas demand and Full Haul Equivalent (FHE) demand forecasts in its revised proposal to reflect the following:

- The ERA's forecast values as set out in Table 2.8 and Table 2.9 in Draft Decision Attachment 2.
- The ERA's determinations as outlined in paragraph 46 to 47 in Draft Decision Attachment 2.
- Any additional demand that DBP becomes aware of prior to the submission of its revised proposal.

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