



Department of
**Jobs, Tourism, Science
and Innovation**

WA Domestic Gas Policy

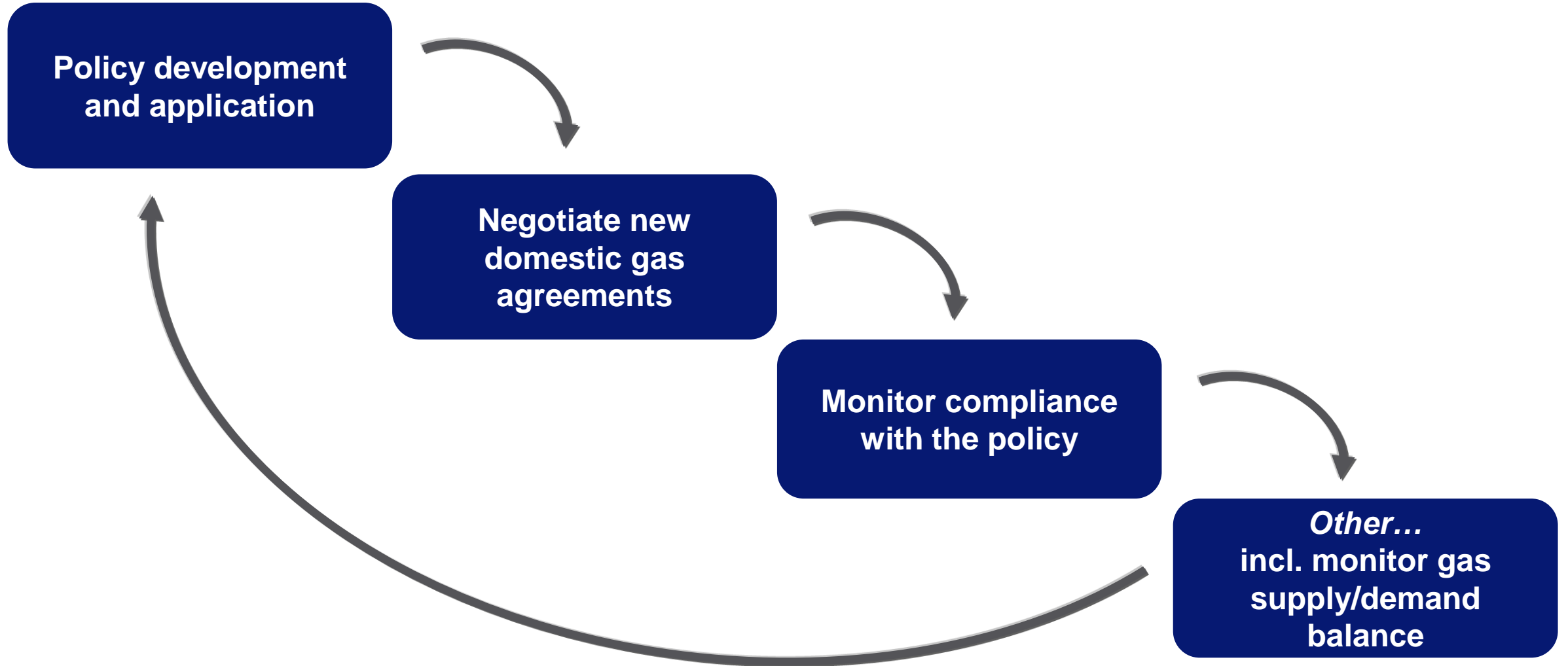
Briefing for
WA Gas Consultative Forum

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Strategic Projects
Department of Jobs, Tourism, Science and Innovation



Role of JTSI – develop, apply and enforce *WA Domestic Gas Policy*





The *WA Domestic Gas Policy*

Reservation

Reserve domgas
equivalent to 15%
of LNG production

Infrastructure

Develop and
maintain access to
domgas supply
infrastructure

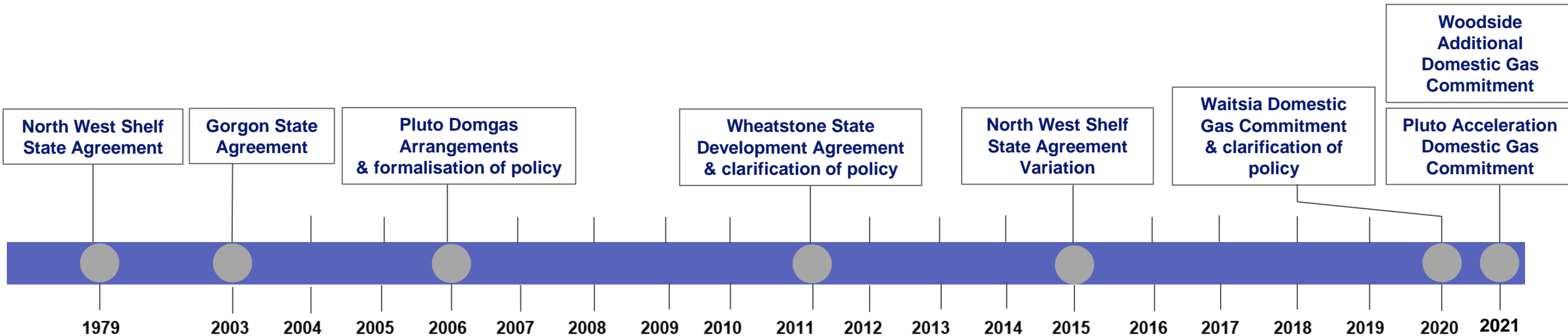
Marketing

Show diligence
and good faith in
marketing gas to
WA consumers

The *WA Domestic Gas Policy* secures WA's long-term energy needs and ongoing economic development.



WA Domestic Gas Policy – long-standing and has evolved over time



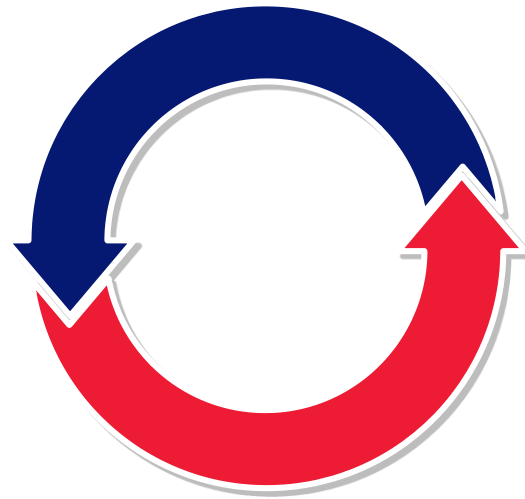
- Mix of arrangements, struck over time
- Scarborough Domestic Commitment Agreement currently being negotiated



Policy Developments

- **Policy update, August 2020**

- Tightened compliance monitoring and improved transparency
- Not agree to export of WA pipeline gas, other than in exceptional circumstances



- **New commitments, 2020-2021**

- Pluto Acceleration
- Waitsia



Long term contractual arrangements with State

Project <i>Operator, date</i>	Indicative domgas commitment <i>TJ/day (Total PJ)</i>	Domgas supply infrastructure established
Gorgon <i>Chevron, 2003</i>	300 TJ/day (2,000 PJ) (marketed in two 150 TJ/day tranches)	300 TJ/day domgas facility
Pluto <i>Woodside, 2006</i>	115 TJ/day (390 PJ)	15 TJ/day LNG truck loading facility 25 TJ/day pipeline gas compression facility
Wheatstone <i>Chevron, 2011</i>	200 TJ/day (1,600 PJ)	200 TJ/day domgas facility
North West Shelf <i>Woodside, 2015</i>	90 TJ/day (660 PJ ¹)	630 TJ/day domgas facility

¹ Excludes contracts struck prior to 2015 NWS variation agreement.



Market outlook

- Commitments and domestic-only sources each supply around half the market.
- New gas from Scarborough and Perth Basin

Domestic gas commitments - Current

- North West Shelf (legacy contracts)
- North West Shelf (2015 commitment)
- Gorgon
- Wheatstone
- Pluto (current infrastructure)

- Pluto Acceleration
- Additional Commitment

■ Waitsia

Potential supply

- ▨ Scarborough commitment
- ▨ Perth Basin (probable)

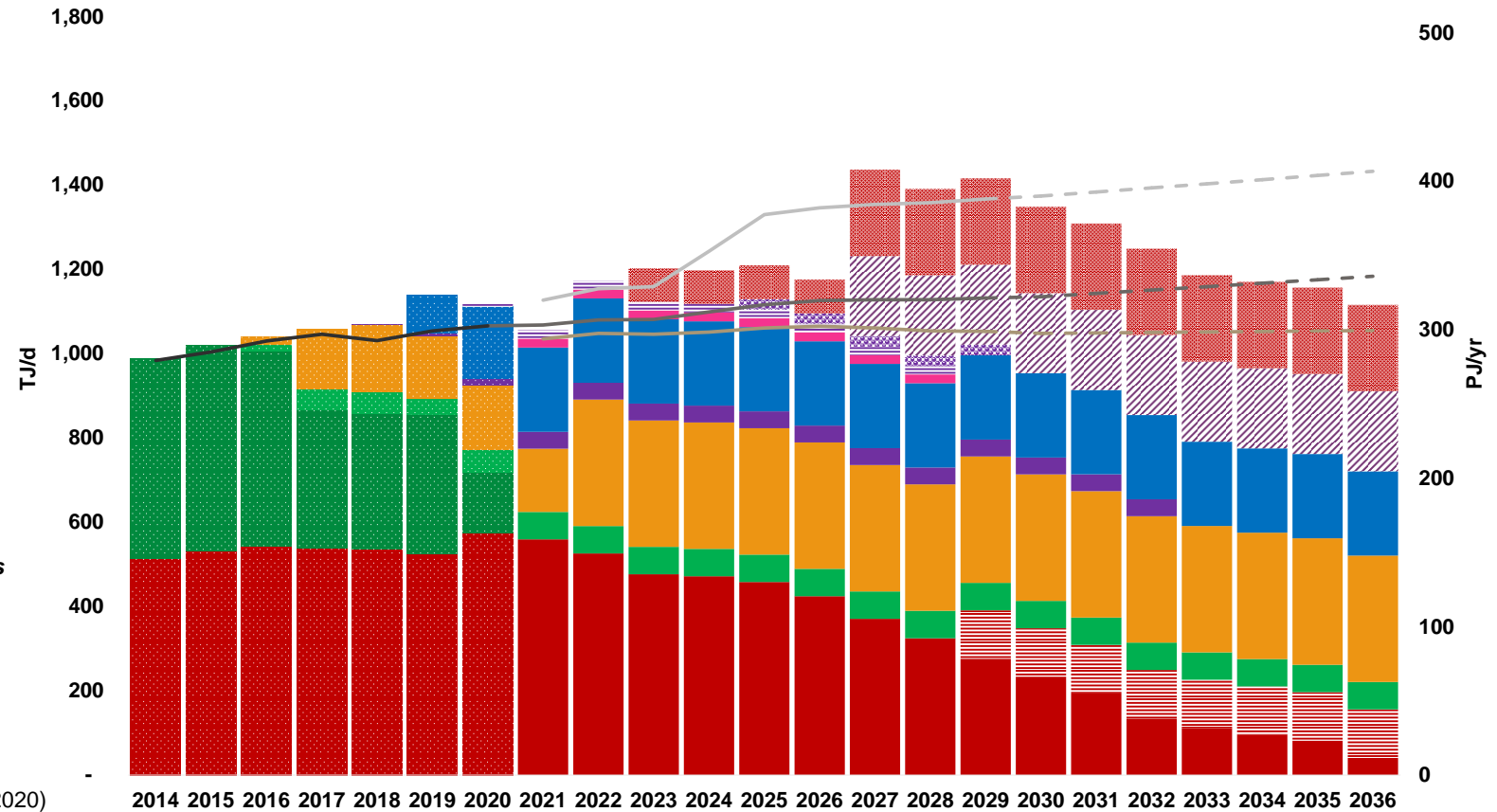
Dotted areas represent actual historical supply.

Assumed production from 2P reserves

- Domestic-only producers
- ▨ Waitsia post-export phase

Domestic gas demand projections

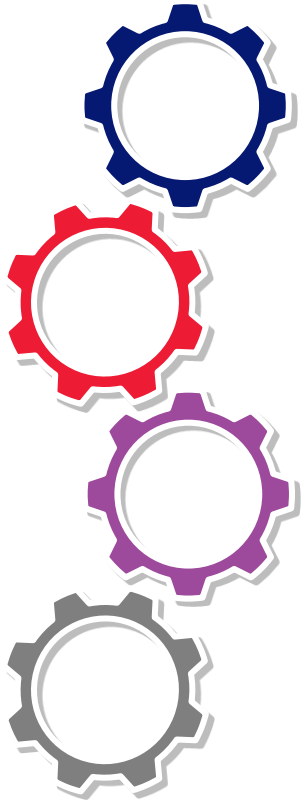
- Historical gas consumption
- Low + trend (AEMO GSOO - 2020)
- Base + trend (AEMO GSOO - 2020)
- High + base trend (AEMO GSOO - 2020)



Source: JTSI.



WA Domestic Gas Policy from here



- **Improve transparency**
 - Making domestic gas commitments and gas availability more transparent to the market through an Annual Statement
- **Monitor marketing in good faith**
- **Consider export from pipeline network**
- **Support WA industrial development**
 - Downstream gas processing opportunities study



Thank you

Questions?

Further information and contacts:

WA Domestic Gas Policy Website

<https://www.wa.gov.au/government/publications/wa-domestic-gas-policy>

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