4 February 2022

Mr Daniel Westerman
Chief Executive Officer
Australian Energy Market Operator
Email: forecasting.planning@aemo.com.au

Dear Mr Westerman,

AEMO Draft 2022 Forecasting Assumptions Update

Energy Networks Australia (ENA) welcomes the opportunity to provide a response to the *Draft 2022 Forecasting Assumptions Update*, released on 21 December 2021.

ENA is the national industry body representing Australia's electricity transmission and distribution and gas distribution networks. Our members provide more than 16 million electricity and gas connections to almost every home and business across Australia.

AEMO is proposing to change the scenarios as follows:

» Change the hydrogen superpower scenario to a hydrogen export scenario to enable potential future adjustment to the scale of development appropriate in that scenario to reflect a likely future.

» Adding a fifth scenario to consider the impacts on the gas industry and gas networks. Industry has expressed interest in such a scenario to account for the role of green hydrogen and biomethane. This additional scenario would provide an alternative to electrification scenario by considering the opportunities where green molecules are used to decarbonise gas use instead of green electrons.

ENA is supportive of these proposed changes to the scenarios. Some of the key features that should be covered by the scenarios include:

» The impact of time of use on overall retail prices and emission profiles.

» The role of gas infrastructure to deliver the lowest cost energy to customers.

» The pathway to transition to net zero emissions in both electrification and renewable gas scenarios.

» The sector coupling opportunities of hydrogen.

ENA and in particular its gas distribution members would welcome the opportunity to work with AEMO in shaping this fifth scenario. Should you have any queries please contact ENA's Head of Renewable Gas, Dr Dennis Van Puyvelde, dvanpuyvelde@energynetworks.com.au.

Yours sincerely,

Andrew Dillon
Chief Executive Officer