

27 March 2018

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Dear Mr Jenkins

## **Gas Safety (Safety Case) Regulations - Draft Regulations**

EnergyAustralia is pleased to make this submission to Energy Safe Victoria's (ESV) draft regulations for the *Gas Safety (Safety Case) Regulations 2018*. We are one of Australia's largest energy companies, with over 2.6 million household and business customer accounts in NSW, Victoria, Queensland, South Australia and the Australian Capital Territory. We also own and operate a multi-billion dollar portfolio of energy generation facilities across Australia, including coal, gas and wind assets with control of over 4,500MW of generation in the National Electricity Market.

Safety Case regulations provide a uniform approach for safe generation, transmission, distribution, and retail of gas. It requires a thorough analysis of potential incidents to establish preparation for, and consideration of, events that should be treated with the utmost significance, as they relate directly to health and safety and may endanger lives and properties.

At EnergyAustralia, we do not compromise on safety. We agree with the proposed changes and believe that they address minor issues in the regulation. ESV has made efforts to balance the increased regulatory burden against safety of Victorian communities.

We think the ESV has found the right balance, and, in our capacity as a generator, we support the proposed amendments and we will work towards compliance. As a retailer, however, we would like to reiterate our position that the Safety Case requirements are unnecessarily onerous for retailers where control naturally rests with the gas producer, transmission company or distributor. EnergyAustralia is the point of contact for a customer in many circumstance and we understand the requirement for retailers to provide accurate information to customers in the case of a gas emergency. However, many of the requirements of the Safety Case are within a retailers' sphere of influence via contracts for the quality and supply of gas as this is ultimately reliant on the actions of other parties, such as gas producers, gas transmission, and AEMO.

As a retailer it is our responsibility to undertake purchasing of gas on behalf of our customers and we have strict requirements when we purchase gas to require that it complies with to Australian Standard 4564. The reality is that even with our requirements imposed contractually when we purchase the gas, it is the responsibility of the gas producer, transmission and

distribution to ensure that it complies with the required standards. While the Safety Case is operating as intended in ensuring quality, replicating this requirement for retailers is unnecessary.

We have the similar concerns with the Safety Case requirements for supply. Supply is monitored and managed by AEMO. It is understandable that we should take due care in ensuring via contractual means that our customers will have the required supply but, again given our role in the supply chain, this feels redundant when AEMO and the gas producer, transmission, or distribution businesses can cause supply to be ceased outside of our control.

Other jurisdictions have a very different approach to a retailer's obligations towards gas safety. South Australia under Section 36A of the SA Gas Regulations only requires for the development and publication of a gas safety awareness plan and related customer communication plan. We think this approach reflects the role of retailers in the supply of gas to customers and ensures retailers are providing information relevant to their role in the supply chain and that they are effectively directing gas issues or queries.

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