CONFIDENTIAL

21 December 2023

SUBMISSION ON REGULATIONS FOR ELECTRICITY PLANNING AND FORECAST FUNCTIONS

Thank you for the opportunity to comment on proposed Amendments of the *Electricity (General) Regulations 2021* to establish a new planning and forecasting function Consultation Paper (the Consultation Paper) and associated *Electricity (General) (Planning and Forecasting Function) Amendment Regulations 2023* (the Amendment), conducted by the Department for Energy and Mining (the Department).

LMS Energy and its subsidiary, Helmont Energy (jointly LMS), support the Department's proposal to establish a planning and forecasting function for the South Australian (SA) Technical Regulator. It is pleased to provide a company description and brief submission below.

LMS ENERGY AND HELMONT ENERGY

LMS exists to help protect the planet from climate change. LMS does this by capturing methane emissions produced from the natural decomposition of organic wastes. LMS is 100% Australian owned, with its headquarters in SA, and employs nearly 300 people (100 in SA). It currently has 62 landfill biogas facilities across Australia, New Zealand and the USA plus 6 solar farms. It is also developing anaerobic digestion facilities to recover biogas, heat and nutrients from separately collected organic materials and agricultural residues.

Over the last 25 years, **LMS has prevented 50 million tonnes of carbon dioxide equivalent (tCO_2e) from entering Australia's atmosphere from landfills – making it one of Australia's largest emissions reducers**. LMS is responsible for around 26% of SA's total emissions reductions under the Federal Government's Australian Carbon Credit (ACCU) Scheme. From its SA operations, it has prevented more than 98 million cubic metres of methane and 1.9 million tCO_2e from entering the atmosphere.

Presently, LMS uses captured biogas to generate around 600 GWh of renewable electricity per annum in Australia. In SA alone, LMS has generated 120,000 MWh across its operating life.

Bioenergy is a unique form of renewable electricity providing synchronous, flexible dispatchable renewable energy 24/7, providing important baseload energy and system services. LMS is also currently constructing energy storage capacity to best support grid needs. When electricity generation is not feasible, biogas is currently flared to prevent methane emissions releasing to the atmosphere.

Under the right policy settings, biogas could also be upgraded to biomethane and used as a direct substitute for natural gas.

CONSULTATION PAPER FEEDBACK

In response to the consultation, LMS highlights the following:

- LMS commends the Department for pursuing the establishment of a planning and forecasting function for the Technical Regulator to help support SA in achieving a decarbonised energy sector while ensuring electricity supply capacity can meet demand reliably and securely.

- To best align to the Discussion Paper's intent, LMS proposes decarbonisation be specifically mentioned in the functions to be established through the Amendments. This could potentially be achieved through inclusion of reference to 'least cost pathway for the development of the SA power system and its decarbonisation', or otherwise referencing SA's decarbonisation targets - currently 100% electricity demand from renewable energy by 2030[1]. Explicitly requiring the Technical Regulator to consider decarbonisation in its new planning functions would avoid the potential for any conflict with the proposed core function of 'undertaking planning and forecasting activities to assess the least cost pathway for the development of the SA power system' (proposed section 13B(1)(a) of the Amendment) and complement the proposed Minister's direction power.
- LMS suggests consideration could be given to whether the Minister's establishment of objectives, principles, standards and targets in relation to the performance of the Technical Regulator's reporting function may benefit from being informed by public consultation in some circumstances.
- LMS understands that the Technical Regulator uses a technical advisory committee and may establish other committees under the *Electricity Act 1996* to provide advice on matters relating to its functions or administration of the Act. LMS seeks that, in support of the new planning and forecasting function, targeted consultation occur through such committees, or other means, with key bioenergy project developers, such as LMS, as while bioenergy is a relatively small contributor to energy supply currently, there is significant additional potential in this field[2].
- LMS encourages that, using such mechanisms as suitable, the Technical Regulator's planning and forecasting functions also enable consideration of interactions with SA's gas market for a cost effective, decarbonised whole energy system – including the potential of biomethane and renewable hydrogen. This could complement AEMO's gas forecasting and planning functions and is of particular relevance in circumstances where increasing electrification relative to gas use in SA may be under consideration.

We thank you for considering LMS' submission. LMS would be happy to discuss any aspect of this submission or any further queries as may be helpful. Please feel welcome to contact me by email tiana.nairn@lms.com.au or mobile 0427 087 452 or our Manager – Carbon Policy, Meagan Wheeler, by email meagan.wheeler@lms.com.au or mobile 0448 618 939.

Yours sincerely

Tiana Nairn
Group Manager – Policy

[1] As mentioned in the Consultation paper and 'South Australian Government Climate Change Actions' (action 1.1).
[2] Refer to 'Australia's Bioenergy Roadmap' for an overview of the scale of the bioenergy opportunity. If a fraction of the State's reported theoretical potential could be met, it could potentially support all SA's pipeline gas usage over time. Alternatively, it could further increase local energy storage options, renewable electricity supply and stability.