

5 January 2024

**Dr Paul Hithersay
Chief Executive Officer
Department of Energy and Mining**

Dear Dr Hithersay,

Regulations for electricity planning and forecast functions

A proudly Australian company with balance sheet strength, Fortescue is a global leader in large-scale, ultra-efficient and highly complex developments with a proven track record in developing and operating assets in remote and isolated locations. Fortescue has a strong focus on decarbonisation, evidenced by its industry leading target to achieve real-zero carbon emissions across our terrestrial mining operations by 2030. Through our business unit, Fortescue Energy, we are establishing a global portfolio of renewable energy, green hydrogen and derivatives, battery system and green technology projects and operations that are at the forefront of the global energy transition.

Fortescue welcomes the opportunity to provide comment on the proposed amendments to the Electricity (General) Regulations 2012 to introduce a new planning and forecasting function of the Technical Regulator. Fortescue supports the proposed amendments and function to allow the Regulator to provide a planning and forecasting function to the South Australian State Government.

Increasingly, State Governments are taking control of their state decarbonisation trajectory. Electricity system planning is currently done on a whole of system basis through the Australian Energy Market Operator (AEMO) to meet a number of objectives and policies across all the National Electricity Market (NEM) jurisdictions. This means AEMO does not consider the specific South Australian context and what is required to achieve the Governments current and future objectives.

A localised planning and forecasting function will provide the South Australian Government with an ability to consider localised advice on how to plan for the future state of its energy system. This includes current energy policy and how to achieve and move beyond 100% renewable energy penetration while maintaining least cost for the State. Similarly, this function will also provide the Government with advice on external policy changes and how they may impact the Governments plan and the South Australian energy market.

Fortescue is particularly supportive of the ability this new function would provide the Government to plan for the significant infrastructure requirements of the green hydrogen industry. The Government must play a key



role in directing the development of shared infrastructure across the state to unlock green hydrogen industry, including off-grid transmission networks.

Thank you for the opportunity to comment on this consultation. If you would like to discuss any of the issues raised in this submission, please contact tom.parkinson@fortescue.com or myself on the below details.

Yours sincerely

Michael Gunner

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