

# PGE Act Amendments

**Regulating for the clean energy transition to future fuels to produce green energy, maximize infrastructure assets and reduce emissions**

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Adelaide

22/23 December 2020





# What is the challenge?

- The Petroleum and Geothermal Energy Act (PGE Act) is recognised as best practice for its co-regulation approach to licensing and approval processes for energy resources
- Opportunity to enable the regulation of similar substances such as future fuels (eg hydrogen)
- Potential benefits include:
  - realising Australia's unique advantages to produce green energy
  - reduce emissions
  - maximise the longevity of existing energy infrastructure assets



# Background

- *PGE Act* was first promulgated in 2000
- The Act has been reviewed and amended in 2009 and 2013
- Transition to clean energy, the emergence of future fuels and carbon capture and storage technologies have triggered the need for change
- Energy industry rank continuous improvement in leading practice legislation and regulation highly
- Technical amendments to the Act- not a holistic review
- Issues identified include reporting, administrative and definitional improvements, and policy and scope changes



# Purpose

- Inform co-regulators of the proposed amendments to the Petroleum and Geothermal Energy Act
- Amendment proposals are for improvements to efficiency, clarification and transparency of the existing regulatory processes and policies
- Prompt discussion and feedback on proposed amendments
- Invite formal responses on any potential show stoppers from co-regulators by 18 January 2021
- The public release of the issues paper will provide a second opportunity for more consultation on details of amendments



# Key issues to be considered

1. Revise title to reflect the broader scope to include future fuels
2. Conferral of the regulation of petroleum activities in State and coastal waters to NOPSEMA to have a 1 piece of legislation for onshore and offshore activities
3. Expand the definition of regulated substance to include future fuels (eg hydrogen, compatible substances to petroleum)
4. Modify the definition of transmission pipeline to allow for imported substances (eg LNG, manufactured hydrogen)



# Key issues to be considered

4. Introduce a mechanism to ensure land use adjacent to existing infrastructure is compatible with safety and compliance requirements
5. Improving stakeholder participation requirements by:
  - requiring a stakeholder engagement plan for preparing Statement of Environmental Objectives (SOEs)
  - introducing a mandatory 30 day public consultation period for all Environmental Impact Reports (EIR) and SOEs
6. Provide the Minister discretionary powers to ensure any public submissions on SEOs/EIRs are not discriminatory, defamatory or otherwise offensive



# Key issues to be considered

7. Extending Ministerial powers requiring access to pipelines or other facilities to encourage competition or security of supply
8. Introducing greater flexibility over key licences such as the size of the licence area and possible strata titling
9. Providing for former licensees to enter land where rehabilitation works need to be undertaken but where the primary licence has either expired or is under new ownership
10. Ensuring appropriate financial security is provided for license transfers
11. Introducing a Statutory Security so the crown has first priority over a Licensee's property in the event of bankruptcy



# Key issues to be considered

12. Benchmarking penalties under the PGE Act to be consistent with other state regulations such as the *Work Health and Safety Act (SA) 2012* and the *Environment Protection Act 1993*, and similar Acts in other jurisdictions
13. Clarify the legislative intent- make a number of administrative, formatting and minor amendments to reporting requirements, definitions or phrasing of various provisions





# Next steps

Timeframe	Activity/ step
10 December 2020	Email to co-regulators with Draft Issues Paper
22 December 2020	Co-regulator Information Session #1
23 December 2020	Co-regulator Information Session #2
<b>18 January 2021</b>	<b>Deadline for Co-regulator feedback on potential show stoppers</b>
25 January 2021	Notify Cabinet of planned public release of Final Issues Paper
February/March 2021	Public release and consultations on details of Final Issues Paper

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# Questions and Answers



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