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By email: ResetCoord@aer.gov.au

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Dr Kris Funston
Executive General Manager, Network Regulation
Australian Energy Regulator
Level 27, 135 King Street
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Dear Kris

APA Victorian Transmission – Rule 80 application for the expansion of the South West Pipeline

Jemena appreciates the opportunity to respond to APA's Rule 80 application for the proposed expansion of the South West Pipeline (**SWP**). Jemena owns and operates a broad portfolio of energy assets, including gas and electricity distribution networks, gas transmission pipelines, and gas processing facilities.

Jemena recognises the gas supply security challenges facing Victoria, with peak demand shortfall risks forecast in southern Australia from 2028. Jemena believes that before new gas infrastructure is developed to ensure system reliability, the total capacity in the system should be assessed to ensure existing assets are fully utilised. Using existing infrastructure ensures energy affordability for all consumers, represents the lowest-cost and lowest risk option, and minimises impacts to local communities and the environment.

Through this submission, we wish to highlight Jemena's commitment to bolstering supply security in Victoria as demonstrated by our recent investment in reversing the Eastern Gas Pipeline (**EGP**) and its potential to mitigate Victorian gas shortfalls. The EGP reversal, connecting Orbest Gas Plant, gas parked and stored on the EGP, and future supply from Port Kembla Energy Terminal (**PKET**) and northern markets, is nearing mechanical completion and will enable delivery of up to 270 TJ/day of gas to Victoria regardless of PKET supply. Importantly, there is significant spare capacity on the Longford to Melbourne Pipeline (**LMP**), which links the EGP to the greater Melbourne area. This capacity of 270TJ/d will be available from Q2 2026 to supplement supply into the Victorian market.

In addition to the reversal, Jemena is pleased to report that the Port Kembla lateral is complete and, following the arrival of the FSRU, is capable of providing both new gas supply and storage for the Victorian market.

In addition, Jemena is looking to commence FEED for additional compression on the EGP transmission pipeline at Wilton (NSW) to enable a full reversal of the EGP from Wilton to Longford, creating a new route for transporting northern gas from Queensland and the Northern Territory to Melbourne. Based on the current schedule, which is subject to FID, this project could be online and available to flow gas into Victoria from 2029. With further additional compression on the EGP transmission pipeline at Kembla Grange, the reversed EGP could increase southernhaul capacity to 325 TJ/day into Victoria.

Looking ahead, we also note growing demand for new gas-powered generation (**GPG**) to support renewable energy integration throughout the NEM. The draft Integrated System Plan indicates that 4 Giga Watts of new GPG will be required in NSW and Victoria. It is important to note that the LMP runs through the Latrobe Valley—the centre of Victoria's coal-fired generation fleet. The LMP has

spare pipeline capacity and is near electricity transmission infrastructure, including several 500 kV lines. This makes the region an ideal location for GPG supplied via the reversed EGP.

The changing dynamics of the gas markets have required increased support from pipeline storage services which the EGP has delivered to date. As the market evolves further, increased deep Gas Storage services will be required. We note a number of these will be complemented by the full reversal of the EGP.

Jemena has anticipated the stability challenging the Victorian energy industry and has pre-emptively invested in the PKET lateral, the EGP reversal and in planning for full reversal with compression at Wilton. We recognise the important role for the EGP as the market transitions away from traditional supply sources. As part of the AER's assessment of the Rule 80 request we would request consideration be given not only to infrastructure on the west of Victoria but also the existing infrastructure to the east to ensure the outcome is optimised in the context of the overall market.

Should you have any questions about this submission, please contact Andrew Zancanaro, Business Development Manager, at [REDACTED]

Yours sincerely

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Nerise Cook
General Manager Pipelines