



5th June 2026

Australia Energy Regulator

By email: ResetCoord@aer.gov.au

Dear Reset Coordinator,

Position paper: APA's rule 80 application for South West Pipeline

Viva Energy thanks the Australian Energy Regulator (AER) for the opportunity to provide feedback on the AER position paper regarding APA's rule 80 application for the South West Pipeline (SWP). In this position paper the AER puts forward support in principle for APA's proposed project to increase capacity on the SWP via compression and to carry out early works for further expansion via looping options on both the SWP and Brooklyn Lara Pipeline (BLP).

Viva Energy's response to the AER's position paper covers the following key themes:

- Improved planning processes are required to avoid urgent future Rule 80 applications whereby only one option is presented to address an impending shortfall.
- Viva Energy requests the AER to approve funds for APA (and the WAG Joint Venture) to conduct early works on the WAG pipeline.

1. APA Rule 80 Proposal and Addendum

In response to the Rule 80 proposal, the Rule 80 addendum and the AER position paper, Viva Energy has feedback in relation to VTS network planning and the funding for early works on pipeline looping.

1.1 VTS Network Planning

As highlighted in Viva Energy's first submission in response to the Rule 80 application, Viva Energy believes that it is prudent to demonstrate how any VTS investment fits within a longer-term plan of sequenced investments or augmentations. The 2026 VGPR highlights that by 2035 the VTS capacity is required to be ~1200TJ/d and 115PJ new gas supply is needed. The proposed compression solution increases the SWP capacity by 92 TJ/d and brings no new gas supply.

The AEMO South West Pipeline Expansion Options Assessment Report presented a comprehensive technical assessment of APA's compression and looping options and considered how various options fit with future connection of credible supply sources. Viva Energy welcomes the thorough assessment and the recognition that augmentation of the VTS needs to consider where long term supply will connect.

Viva Energy understands that when presented with the option of augmenting the SWP via compression or potentially realising peak day shortfalls which could adversely impact the gas and electricity networks, the AER supports compression. It is unfortunate that only a single option has been presented as feasible within the required timeframe to avoid peak day shortfalls, particularly given that AEMO's GSOO and VGPR reports have identified impending shortfalls for many years. Moreover, the sole option proposed raises technical and reliability concerns, as acknowledged by the network operator, AEMO. We consider it important for APA to assess if improvements can be made in planning processes to ensure that future VTS investment options are developed and put forward with sufficient lead time for proper evaluation and feedback, so that the most prudent and appropriate investments can be delivered when needed.

1.2 Early works on looping

Viva Energy supports allocating funds for early works on both SWP (\$16m) and BLP (\$15m) looping as proposed in the addendum to the Rule 80 application. The addendum recognises that looping programmes need to be delivered on timelines consistent with future potential supply project dates. While APA has previously stated that it can only put forward funding requests for VTS augmentations related to gas projects that have taken FID, it may be that the timeline for a network augmentation does not align with the timeline for the corresponding gas project. Increased clarity on scope and schedule for these augmentations will enable better network planning decisions, resulting in addressing the network needs with the lowest sustainable cost.

Early Works - WAG Pipeline

Viva Energy requests the AER to approve funds for APA to conduct early works on the use of the WAG pipeline in the Victorian gas network. As noted in AEMO's SWP options assessment report, the WAG pipeline, an approximately 130 km crude oil pipeline, is currently under consideration for potential conversion into a natural gas transmission pipeline to further increase supply capacity into the network. The WAG Joint Venture (Viva Energy/Mobil) is investigating the conversion of the WAG pipeline to gas service throughout 2026.

When planning VTS augmentations and assessing options, APA should consider all options in order to find the optimal in terms of cost, schedule, and ability to execute the option in the timeframe required. This is consistent with the obligations of a prudent service provider to operate in an efficient manner, as prescribed under National Gas Rule 79. Given the WAG pipeline is an existing pipeline, this significantly reduces the complexity related to access, approvals, impact to the environment and community and avoids complex construction. This will lead to fast and efficient augmentation of the VTS network with minimum impact. Again, this is consistent with National Gas Rule 79 which requires efficiency and achieving the lowest sustainable cost. Whilst the technical evaluation of this pipeline is well progressed and highly promising, allocating early works funds for the assessment of the WAG pipeline in gas service is vital in completing works and establishing the viability, cost, and schedule of this conversion option. We refer the AER to the submission by the WAG Joint Venture for further detail.

Early Works – Gasification Terminal

As noted in the addendum to the Rule 80 application, augmentations such as looping programmes need to be delivered on timelines consistent with future potential supply project dates. Viva Energy notes that in December 2021 APA submitted a business case titled 'LNG Import Terminal Connection to SWP – Brooklyn Facilities Upgrade' as part of a Rule 80 application. The business case identified \$15m of VTS

network modifications such as City Gate heater upgrades required to accommodate potential supply projects proposing to connect a gasification terminal near Geelong. It would be prudent for APA to reevaluate if any VTS network upgrades are required to accommodate a gasification terminal near Geelong and consider if a Rule 80 application is required for early works on these upgrades. Alternately APA could consider inclusion of this scope as part of the 2028-32 access arrangement. In conducting this work, it will assist planning and coordination of network augmentations with supply projects and ensure that the required network augmentations can be executed at the right time for a given supply project.

2. Inclusion of Gas Terminals in Assessments

As noted in our previous submission, Table 21 from the 2025 VGPR shows that should a Geelong Gas Terminal connect to the VTS, the SWP increases from 523 TJ/d to 770 TJ/d, an increase of ~240 TJ/d without any augmentation costs. This is by virtue of the connection location (proximity to Melbourne demand) and pressure. With the WAG pipeline also, a capacity increase of 360 TJ/d is achievable.

Table 21 2025 VGPR

Table 21 Potential options for scenario with a new LNG supply at Geelong

	Option	Augmentation description	SWP capacity (TJ/d) with LNG delivery prioritised	SWP capacity increase from existing (TJ/d)
Port Campbell to Melbourne augmentation options with Geelong LNG regasification terminal	1	Viva LNG Regasification Terminal connects to current system	770	240
	2	Viva LNG Regasification Terminal and WAG pipeline	890	360

Viva Energy notes that in the AEMO SWP Options Assessment report, a Geelong gas terminal connecting to the VTS (without compression or looping) is not shown as an option to increase SWP capacity. Viva Energy would like to highlight to the AER that a Geelong terminal brings an increase in capacity plus a source of supply to address both the impending capacity and supply shortfalls. Viva Energy acknowledges that without pipeline augmentation, should a terminal connect at Geelong then there will be a ‘back-off effect’, however, this should not preclude a project from being presented as an option to increase capacity and supply in a sequenced manner.

Viva Energy thanks the AER for the opportunity to provide feedback on the SWP Rule 80 position paper.

If you would like to discuss this submission, please contact [redacted] at [redacted]@vivaenergy.com.au.

Yours Sincerely,

[redacted signature]

Commercial Manager

for and on behalf of Viva Energy Pty Ltd

