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September 7, 2022

Via Email: <u>APAVTS2023@aer.gov.au</u> and lynley.jorgensen@aer.gov.au

Attention: Mr Sebastian Roberts Special Advisor Australian Energy Regulator GPO Box 3131 Canberra ACT 2601 Australia

Dear Sebastian,

RE: AER202216 APA Victorian Transmission System 2023-27 access arrangement. Revised proposal.

I am writing in regards to APA Group's ("APA") proposed 'Section 12. Hydrogen safety and integrity assessment", as part of its revised Victorian Transmission System ("VTS") 2023-2027 Access Arrangement submitted the Australian Energy Regulator ("AER") on August 10, 2022.

Esso Australia Resources Pty Ltd ("Esso") notes that the proposed insights gained from the access arrangement will assist in building an understanding of potential safety and integrity risks when introducing hydrogen to the VTS. APA has been clear that there is an expectation that the knowledge of these risks will benefit the assessment of future energy projects in Victoria, and that there is potential for significant delay to obtaining these findings (and thus future energy projects) if the access arrangement cannot be progressed through this submission.

Whilst Esso does not currently have any funded projects that include hydrogen blending in their scope, we note that defining the safety and integrity impacts from hydrogen introduction to the VTS will be valuable for future low carbon projects in Victoria that may rely on these results to ensure the projects do not introduce undue risk to the VTS.

The present and future reliability of the VTS is of notable importance, and we see the VTS having a role in enabling various hydrogen-related industries in Victoria where low scale hydrogen blending could assist with operating stability. Thus it can be said, with some likelihood, that the findings targeted by the access arrangement will inevitably be required and hence the findings will be ultimately of value.

Also noting APA's prior comments that the procedure for the assessment will not impact the VTS, Esso can support the proposed testing provided that APA prevents performance or reliability impacts to the VTS as part of the assessment procedure.

We thank you in advance for considering this letter in your final assessment of the 2023-27 access arrangement.

Yours sincerely,

DocuSigned by:

David Berman

Commercial Director
For and on behalf of Esso Australia Resources Pty Ltd

1