



30 March 2009

Manager - Energy Efficiency Compliance and Reporting
Department of Resources, Energy and Tourism
GPO Box 1564
Canberra ACT 2601

Via email: energyefficiencyopportunities@ret.gov.au

Re: Exemption of electricity generators and electricity and gas transmitters and distributors from participation in the Energy Efficiency Opportunities (EEO) program

The Australian Pipeline Industry Association (APIA) welcomes the opportunity to respond to the Government's preferred position on the future of the current EEO exemption for electricity generators and electricity and natural gas transmitters and distributors, being that the current exemption for the stationary energy supply sector under EEO legislation should be extended until 30 June 2013.

This position is acceptable to APIA.

As indicated in our submission of 1 December 2008, we believe the industry should be permanently exempt from the EEO program. The energy efficiency opportunities that could be achieved by the gas transmission industry do not fit the criteria to be mandatory under the EEO program. The EEO program would simply impose a further set of assessment and reporting requirements on the gas transmission industry.

The EEOs available to the gas transmission industry require significant investment, as they are essentially limited to the construction of significant distances of additional (looped) pipeline to replace the need for compression facilities. These investments are recovered over the life of the infrastructure, which will always be in excess of the four year timeframes mandated by the EEO program.

As a result, gas transmission companies cannot achieve the efficiency opportunities the EEO program seeks to drive. The industry will again make this point during negotiations in the lead up to the expiry of the extended exemption in June 2013.

Yours sincerely

CHERYL CARTWRIGHT
Chief Executive