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Department of Mines, Industry Regulation and Safety

By Email to: GSRS.Consultation@dmirs.wa.gov.au

RE: CONSULTATION ON THE PETROLEUM LEGISLATION AMENDMENT BILL (B) 2023

Woodside Energy welcomes the opportunity to contribute to the Department of Mines, Industry Regulation and Safety's (DMIRS) development of a legislative framework to enable greenhouse gas storage and transport in Western Australia. The Company has contributed to the submission made by the Australian Petroleum Producers and Explorers Association (APPEA) and highlights the following points below.

Western Australia enjoys a range of advantages including large scale storage capacity in depleted petroleum fields and saline aquifers, extensive subsurface knowledge, existing pipeline infrastructure and the close proximity of industrial emissions sources to suitable geological storage locations, ideally positioning the state for Carbon Capture Utilisation and Storage (CCUS).

Our Company

Woodside Energy provides energy that the world needs to heat homes, keep lights on and support industry. We aim to thrive through the energy transition by building a low-cost, lower carbon, resilient and diversified portfolio.

Our climate strategy is an integral part of our Company strategy. It has two key elements: reducing our net equity Scope 1 and 2 greenhouse gas emissions and investing in the products and services that our customers need as they reduce their emissions. Woodside Energy is investing in new energy products and lower carbon services to reduce customer's emissions, including hydrogen and ammonia, with a target to invest US\$5 billion by 2030.

We see an ongoing role for Woodside Energy's LNG and pipeline gas to support our customers' plans to secure their energy needs, while they reduce their emissions. To achieve global net zero emissions, the greenhouse gas emissions from natural gas usage will need to be abated, using technologies such as CCUS.

Carbon capture and storage has the potential to offer significant abatement volumes for Woodside Energy and its customers. We welcome *Petroleum Legislation Amendment Bill (B) 2023* as a key enabler for the emergence of new energy and low emissions industries, and development of gas reserves to support the ongoing energy security of Western Australia and our international partners through the energy transition.

In 2022, Woodside as Operator and joint venture participant, was awarded Commonwealth greenhouse gas assessment permits to enable assessments for potential Western Australian CCS projects in the Browse Basin (G-8-AP), Northern Carnarvon Basin (G-10-AP) and Bonaparte Basin (G-7-AP, non-operated).

The Woodside-operated (20% participating interest) North Carnarvon Joint Venture's permit covers the depleted Angel offshore gas field, which could provide a storage reservoir for a multi-user carbon capture and storage project near Karratha in Western Australia. This could be ideally located to aggregate emissions from various existing industrial emissions sources on the Burrup Peninsula. It could also have the potential to facilitate the development of new industries, such as the production of hydrogen and ammonia, by providing a local solution for emissions.

The Browse Joint Venture (Woodside Energy 30.6% participating interest, Operator) determined that a CCS solution for sequestration of Browse Reservoir CO₂ is feasible, and the CCS infrastructure has subsequently been incorporated into the development concept. As Australia's largest untapped conventional gas resource, the Browse development could bring significant economic benefits to the Western Australian community including alleviating the forecast Western Australia domestic gas shortfall at the start of the 2030s.¹

Guiding principles

Woodside supports development of a state greenhouse gas storage and transport regime aligned to the Commonwealth's risk-based, outcomes focused legislative framework that advances the following principles:

- Protection of public health, safety and the environment.
- Community confidence in the use and management of CCS technology.
- Timely and predictable regulatory approvals pathway to underpin investor confidence.
- Open market competition.
- Consistency and efficiency between regulatory regimes.

Consistency

Woodside welcomes efforts to simplify permissioning and compliance for CCS facilities and activities that cross jurisdictional boundaries through the State's intent to replicate the Commonwealth's Offshore Petroleum Greenhouse Gas Storage (OPGGS) framework. We also support efforts to simplify unnecessarily complex definitions and provisions in the drafting of the Bill.

We recommend DMIRS address the omission from the Bill's drafting of detail contained in important OPGGS provisions that provide consistency and confidence for investors and the community including:

- Express provisions for the import or export greenhouse gases across jurisdictions.
- Reference for the responsible Minister to have regard to the Significant Risk of Significant Adverse Impact (SRSAI) of proposed GHG operations on petroleum operations.
- Requirements for decommissioning planning and monitoring from the operational phase through to rehabilitation and title relinquishment.

In addition, we encourage DMIRS to incorporate into the Bill proposed amendments to the OPGGS Act which seek to address impediments identified by the Commonwealth in the process of permissioning first mover CCS proponents. In particular, the inability to apply for a GHG retention lease under the OPGGS Act where storage formations are not wholly situated in a single petroleum lease area has challenged some potential CCS projects. This is an issue that could be proactively addressed in the development of the State regime.

Clarity on title interaction

Woodside welcomes greater alignment in the Bill with the clear and predictable mechanisms provided in the OPGGS framework for managing coexisting titles and prioritising conflicting land use.

It is essential that proponents are time bound and subject to clear criteria in demonstrating capability and a credible pathway to a CCS project to avoid land-banking and creating inadvertent barriers to new market entrants.

Currently, global rates of CCS deployment are far below those in modelled pathways limiting global warming to 1.5°C or 2°C.² Providing enabling conditions for CCS implementation should be considered when balancing the relative risk of GHG storage and transport operations with alternative land or reservoir uses.

Timeliness

The time required for passage of the Bill, development and enactment of subsidiary instruments and for proponents to secure requisite project permissioning may take until the end of this decade. We encourage the State to consider measures to expedite these timelines to help State Government and other Western Australian organisations to achieve their near term emissions reduction targets.

¹ 2022 WA Gas Statement of Opportunities

² IPCC 2022. "Climate Change 2022: Mitigation of Climate Change. Contribution of Working Group III to the Sixth Assessment Report of the Intergovernmental Panel on Climate Change" Summary for Policymakers paragraph C.4.6.

In this regard, Woodside Energy would welcome major project facilitation and the inclusion of CCS projects within the scope of the State Government's approach to fast-track green energy approvals. The State Government's omission of CCS from this policy initiative contrasts the technology agnostic approach being taken in other jurisdictions.

In the transition to new energy and lower-carbon services, Western Australia enjoys a range of natural advantages including abundant renewable and mineral resources; significant potential land availability; suitable geological formations for greenhouse gas storage; a highly educated, skilled and diverse workforce; and a reputation as a safe and reliable provider of products and services.

There is significant opportunity for Western Australia to capitalise on these assets and positively differentiate itself from other Australian states. To achieve this, alongside the timely implementation of an efficient legislative framework the State requires effective enabling policies to ensure WA remains a competitive investment destination. Woodside welcomes the opportunity to partner with the State Government, other proponents, customers, and governments to make this shared ambition a reality.

Once again, thank you for the opportunity to contribute our views. We look forward to further contributing to the development of Western Australia's CCS framework as it progresses.

Yours sincerely



Tony Cudmore
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Strategy and Climate