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17 November 2022

Jai Thomas, Coordinator of Energy Energy Policy WA Department of Mines, Industry Regulation and Safety 1/66 St Georges Terrace Perth WA

Submitted via EPWA-info@dmirs.wa.gov.au.

Dear Mr Thomas

CONSULTATION PAPER: RENEWABLE HYDROGEN TARGET (RHT) FOR ELECTRICITY GENERATION IN THE SOUTH WEST INTERCONNECTED SYSTEM (SWIS)

Woodside Energy Group Ltd (Woodside) welcomes the opportunity to provide feedback on the Renewable Hydrogen Target for Electricity Generation in the SWIS (Paper).

Woodside provides energy that the world needs to heat and cool homes, keep lights on and support industry. On 1 June 2022 Woodside merged with BHP Petroleum to create a leading independent global energy company. Our merged portfolio includes assets and interests in a range of locations and regulatory jurisdictions including Australia, US, Trinidad and Tobago, Senegal, Timor-Leste, Canada and Mexico.

Woodside aims to build a low-cost, lower-carbon, profitable, resilient and diversified portfolio towards our aspiration of net zero by 2050 or sooner¹. To achieve this, we are reducing our net equity Scope 1 and 2 greenhouse gas emissions and targeting investment of US\$5 billion by 2030 in new energy products and lower-carbon services that our customers need as they reduce their emissions².

In Western Australia, Woodside is the proponent of H2Perth, a proposed domestic and export scale hydrogen and ammonia production facility within the Rockingham Industry Zone (RIZ). H2Perth would be developed in three phases, providing a significant opportunity to establish a new strategic export industry for WA, supply hydrogen to local and international users seeking to lower their emissions, and support the stable transition of the SWIS to renewable sources.

H2Perth proposes to make hydrogen through autothermal reforming of natural gas and electrolysis, with estimated electrolysis requirements of up to 250 MW for Phase 1 (targeting 2027), expanding to 3.25 GW at full scale (targetsg m333t765 (n)

Pursue lower emissions objectives through carbon intensity thresholds , rather than stipulating production methods

Both demand and supply side policies will be most impactful if they are method-agnostic, as flexibility on production methods enables customers to pursue options that more closely align with their drivers and preferences, which could include cost, emissions intensity and specific carbon management methods.

Lower emissions objectives could still be established and supported by adopting emissions intensity thresholds as opposed to simply defining Renewable Hydrogen as electrolysis only at a 100% renewable input. Such emission intensity thresholds could be underpinned by the methodologies currently being developed as part of the Australian Hydrogen Guarantee of Origin (GO) Scheme, where Woodside is participating in the design trials through H2Perth, as well as our Tasmanian opportunity H2TAS. The GO Scheme does not restrict production methods. It would be reasonable for emission intensity thresholds to progressively tighten over time to reflect progress of renewable penetration and supporting storage technologies in the SWIS.

We also note that other jurisdictions are adopting a method-agnostic approach to support their objectives of using hydrogen to decarbonise and stabilise energy systems. \$ UHFHQWH[DPSOHLV WKH 8QLWH landmark Inflation Reduction Act, which incenti