



MEDIA RELEASE

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APGA calls for initiative to bring on firm generation to support renewables

The Australian Pipelines and Gas Association says the national energy market needs an initiative to secure investment in firmed power to ensure dispatchable gas generation will be there when it's vitally required.

On the same day the Australian Greens pushed an amendment to exclude gas generation from the Capacity Investment Scheme (CIS), South Australia—which is Australia's most advanced renewable energy market—was issued a Lack of Reserve Level 2 (LOR2) notice, signalling a critical shortage of electricity reserves.

At the peak of the demand crunch, gas generation accounted for 58.3% of South Australia's electricity supply, while diesel generators and brown coal imports from Victoria made up 3.4% and 17.9%, respectively. Together, these dispatchable sources delivered nearly 80% of the state's electricity.

"As we integrate more intermittent renewables, the need for firming generation is undeniable," said APGA chief executive Steve Davies. "AEMO recognises this reality, which is why its last two Integrated System Plans have called for more than 13 GW of new gas generation to ensure reliability and to support renewables."

"Without gas generation last night, South Australia would have faced serious shortfalls, forcing greater reliance on higher emitting diesel and brown coal. That's not a sustainable way to manage energy security."

The South Australian Government is leading the way by developing its state-based Firm Energy Reliability Mechanism (FERM) to safeguard grid stability. However, a coordinated national strategy is essential, especially as key dispatchable power stations across the eastern seaboard face imminent closure.

"Torrens Island, Yallourn, and Eraring are all set to close by 2028," Davies said. "Without new investment in firm power, more frequent and severe LOR events are inevitable. We need an initiative to bring on new dispatchable capacity to provide certainty and keep the grid stable – not just in SA, but nationwide."

About

The Australian Pipelines and Gas Association (APGA) represents the owners, operators, designers, constructors, and service providers of Australia's pipeline infrastructure, connecting natural and renewable gas production to demand centres in cities and other locations across Australia. Our members offer a wide range of services to gas users, retailers and producers and ensure the safe and reliable delivery of 28 per cent of the end-use energy consumed in Australia.

Contact

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