



3 September 2021

Submission: Regulatory Impact Statement for draft Petroleum Regulations Victoria

The Australian Pipelines and Gas Association (APGA) represents the owners, operators, designers, constructors and service providers of Australia's pipeline infrastructure, with a focus on high-pressure gas transmission. APGA's members build, own and operate the gas transmission infrastructure connecting the disparate gas supply basins and demand centres of Australia, offering a wide range of services to gas producers, retailers and users.

APGA welcomes the opportunity to contribute to the *Regulatory Impact Statement for draft Petroleum Regulations Victoria* consultation (the **Consultation**).

APGA encourage the Victorian State Government to bring the draft regulations into effect. The Australian pipeline industry stands ready to engage with Victorian gas producers who successfully prove the availability of gas reserves at sufficient volume and cost to meet the needs of the east Australian gas market. APGA appreciates the care shown through RIS focus on improving outcomes through minimising environmental and public safety risk.

Both the AEMO Gas Statement of Opportunities (GSOO) and the National Gas Infrastructure Plan Interim Report (NGIP:IR) identify the potential for an east Australian domestic gas shortfall to impact Victorian households and businesses in the decade to come. Such a shortfall has the potential to impact security of gas supply to customers, as well as increasing gas costs. Successful development of more gas supply closer to Victorian customers would assist in securing an affordable, competitive gas market across the coming decade.

APGA identify that the transition to renewable gases represents the lowest cost, highest reliability pathway to gas use decarbonisation¹. A competitive, secure and affordable gas market today forms a critical foundation for a competitive, secure and affordable renewable gas market tomorrow. The future benefit of maintaining a foundation gas market today sits alongside continued delivery of more energy to Victorians at around one fifth the emission intensity of the Victorian NEM. Further, The Grattan Institute have highlighted the importance

¹ Submission to the Victorian Gas Substitution Roadmap Consultation Paper, Australian Pipelines and Gas Association 2021
https://www.apga.org.au/sites/default/files/uploaded-content/field_f_content_file/210816_apga_submission_to_the_victorian_gas_substitution_roadmap_consultation_paper.pdf

of gas power generation in a least cost net zero emissions NEM in their Go for Net Zero report².

By securing supply and keeping prices low today, as well as securing the foundation for a renewable gas industry tomorrow, a return to onshore conventional gas development in Victoria helps keep customers supplied and emissions low today, while securing the least cost gas use decarbonisation pathway for tomorrow.

To discuss any of the above feedback further, please contact APGA's National Policy Manager, Jordan McCollum, on +61 422 057 856 or jmccollum@apga.org.au.

Yours Sincerely,



JORDAN MCCOLLUM
National Policy Manager

² Go for Net Zero, The Grattan Institute 2021
<https://grattan.edu.au/wp-content/uploads/2021/04/Go-for-net-zero-Grattan-Report.pdf>