



MEDIA RELEASE

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APGA welcomes Integrated System Plan but encourages supportive gas policy

The Australian Pipelines and Gas Association (APGA) welcomes the Integrated System Plan (ISP) and conclusive recognition that gas generation will be needed to provide reliability for a renewable system.

However, federal and state governments must provide policy support for gas generation, as it does renewables, to accelerate the displacement of coal-fired generation as is outlined in the ISP. Presently, the ISP projects a faster exit of coal than announced, which is not possible unless adequate gas firming is available.

The Capacity Investment Scheme, and subsequent Renewable Energy Transformation Agreements, are the most economically efficient way to support the 15GW of gas power necessary for the NEM. The ISP projects that the east coast of Australia will need at least 12.8GW of new gas-fired generation in the coming years.

APGA chief executive Steve Davies says Australia can accelerate the transition by exiting coal, helping save more of its carbon budget for the harder, later years of the transition with supportive gas policy settings.

“The wind droughts of the past three months in southern Australia have proven the importance of gas generation, and the ISP recognises our grid will get more volatile as the transition progresses,” Mr Davies said.

“Solar and wind are the Lennon and McCartney of the transition, while gas is doing its job as Ringo. But just because gas isn’t the lead, doesn’t mean it shouldn’t be supported as part of our future electricity system.”

“In the US last year, the largest emission reductions in electricity generation came from coal-to-gas switching. We can do the same, but it requires coordinated gas supply and electricity policy across all governments.”

The gas infrastructure industry acknowledges the ISP concerns about pipeline constraints, and has repeatedly invested in new pipeline capacity ahead of domestic demand, including the Stage 1 and Stage 2 expansions of the East Coast gas grid which increased north-south flows to Victoria and NSW by 25% ahead of this winter. Plans are also well-advanced to reverse the Eastern Gas Pipeline (EGP) to improve gas flows into Victoria.

APGA encourages a stable regulatory environment so industry can help deliver the pipeline improvements that ensures adequate gas supply for homes, businesses, and power generators today and into the future.

About

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

Contact

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