



MEDIA RELEASE

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Gas generation crucial as wind and hydro lag, highlighting investment need

The Australian Pipelines and Gas Association (APGA) says AEMO's Quarterly Energy Dynamics report highlights the need for more gas-powered generation investment to ensure reliability the NEM during future renewable droughts.

The report flags a "significant reduction" in existing wind farm output (-20%) and reductions in hydro output (-18%) across Q2 2024. These reductions coincide with the first quarter-on-quarter rise in NEM emissions since 2015 as coal generation replaced renewables across the board.

APGA chief executive Steve Davies says this winter's renewable droughts demonstrates the need for a backup to renewables and hydro.

"Without gas-powered generation, system security would have been at risk and emissions would have been even higher. Gas-powered generation is acting as a safety net this winter and will be needed as a safety net into the future."

"AEMO's Integrated Systems Plan recognises we will need more than 16GW of gas-powered generation to help support renewables in a net zero Australia.

"There is currently no support for investment in gas power generation, in contrast to significant support for almost every other investment occurring in the NEM. This winter is a perfect example of the need to act to secure investment in gas power generation.

APGA has long called for gas-powered generation to be included in the Capacity Investment Scheme, which currently excludes gas-powered generation, to ensure that system security can be maintained.

"Whether in the Capacity Investment Scheme itself, through Renewable Energy Transformation Agreements, or some other mechanism state and federal governments need to step up to ensure gas-powered generation will be there when Australian electricity consumers need it."

APGA agrees with AEMO's findings in the 2024 Integrated System Plan that as Australia's coal-fired generators retire, renewable energy firmed with gas-powered generation and storage is the lowest-cost way to supply reliable and clean electricity to homes and businesses. Without investment in new gas-powered generation, this cannot occur.

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

For further information please contact:

Lawrence Shelton, Operations and Communications Manager, 0422 057 856