



MEDIA RELEASE

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Renewables and gas generation are needed to kick Australia's coal dependency

The Australian Pipelines and Gas Association (APGA) welcomes the Federal Government's commitment to significantly increase renewable generation, but the exclusion of gas from the Capacity Investment Scheme will make the journey to net zero more challenging and likely more expensive for consumers.

APGA supports the intent to get more renewable generation into the electricity mix, but excluding gas-fired power will be counterproductive in rapidly reducing emissions in the short and medium terms.

Last week, Climate Change and Energy Minister Chris Bowen noted natural gas will be increasingly required to provide the remaining 18 per cent of electricity not provided by renewable sources by 2030. Unlike coal-fired power, gas generators can be turned on and off at very short notice, making them vital for peaking, firming and helping to underpin the reliability and security of Australia's energy system.

Excluding gas generation from the capacity mechanism undercuts its ability to act as that safety blanket.

APGA chief executive Steve Davies says the exclusion of gas inadvertently risks slowing Australia's pace of decarbonisation by not prioritising all lower-carbon alternatives than coal during the transitional period.

"The lowest cost pathway to reduce emissions is to get off coal as quickly as possible, and to do that, the Federal Government already recognises it will need a lot more gas generation," Mr Davies said.

"Australia has a coal dependency, and the fastest and lowest risk way to fix it is to prioritise all lower-carbon alternatives. This scheme is the equivalent of planning to quit cold turkey without any setbacks."

"Natural gas generation isn't the ultimate destination, but it's a far better option for all Australian energy consumers that helps bridge the gap, making the transition smoother and more manageable."

"This Friday's EMM is an opportunity for Ministers to undo a well-intentioned misstep of excluding gas generation from the capacity mechanism and make faster progress to decarbonise our electricity mix."

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.

Contact

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