



MEDIA RELEASE

December 2023

APGA welcomes Draft ISP which calls for 62% uplift in gas-powered generation

The Australian Pipelines and Gas Association welcomes the Australian Energy Market Operator's (AEMO) Draft 2024 Integrated Systems Plan, which has identified the urgent need for significantly more gas-powered generation to support Australia's transition to a renewables-based electricity system.

Following the COP28 Summit recognising the importance of natural gas in the journey to net zero, the Australian Electricity Market Operator (AEMO) released its Draft 2024 ISP which calls for an additional 62% installed capacity of gas-powered generation than the 2022 ISP forecast just 18 months ago.

It has become increasingly clear natural gas, along with renewable gas alternatives such as biomethane and hydrogen, will play a vital role in providing firm, reliable energy in partnership with solar and wind.

As noted in the 2024 Draft ISP, the NEM will need 16.2GW of gas-powered generation in order to be the system's safety blanket as coal generation retires. Today, Australia has approximately 11GW of installed capacity but with 8GW set to be retired, a total of 13GW of new installed capacity will need to be built.

APGA chief executive Steve Davies says AEMO is forecasting that Australia will need to build the equivalent of 17 Hunter Power Projects (750MWs), or 280 Dubbo Firming Power Stations (64MWs) in order to ensure the NEM will remain reliable in a net zero future.

"Renewable and gas generation aren't competitors, they're partners and will need to work closely together in order to ensure the grid remains stable as coal generation retires," Mr Davies said.

"The fast way to decarbonise the NEM is by kicking out coal, particularly brown coal. In order to do so Australia will need a lot of renewable generation, and a lot of gas firming plants to complement them."

"The Government needs to ask whether the exclusion of gas-powered generation from the Capacity Investment Scheme will limit investment in these critical projects."

"This is why Australia needs additional gas supply and generation capacity – to push prices down, speed up the exit of coal generation and ensure the NEM remains stable today and in a net zero future."

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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