



MEDIA RELEASE

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Electricity Statement of Opportunities cannot rely on demand destruction to keep lights on

The Australian Pipelines and Gas Association (APGA) says the Electricity Statement of Opportunities (ESOO) reiterates that gas generation is vital to ensure a sustainable and reliable renewable-based electricity system, but there remains limited Federal Government support to ensure it will be delivered and able to play its crucial role keeping the lights on.

The easing of reliability concerns is encouraging, and is in part due to the anticipated delivery of the Hunter Power Project this year, which will fill generation gaps during renewable droughts as well as provide peaking power during high demand period. However, the Integrated System Plan forecasts that the east coast of Australia will need at least 19 more new, similar-sized gas-fired generation facilities in the coming years.

There are zero new facilities of that size committed today.

APGA chief executive Steve Davies says Australia should not be relying on demand destruction and lower productivity from the industrial sector, or lower EV uptake forecasts, as the basis of energy system planning.

Instead, Australia should prioritise the delivery of gas-fired generation, alongside renewables, to accelerate displacement of coal power through policy levers such as the Capacity Investment Scheme, or through much-needed reform to the National Electricity Market rumoured to be carried out by the Productivity Commission.

"Today in Australia, wind, solar and batteries are heavily subsidised, hydro is primarily taxpayer-funded, and coal-fired stations are underwritten by state governments to stay in the market despite billions in subsidies to phase them out—yet gas generation is expected to compete without any support," Mr Davies said.

"Investors naturally gravitate toward low-risk, high-return opportunities. When governments underwrite certain technologies but omit others, it creates an imbalanced environment which encourages some uncommercial projects to proceed while others critical to the system, such as GPG, are overlooked."

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

For further information or the opportunity to engage with Mr Steve Davies please contact:

Paul Purcell

Corporate Affairs Manager

0422 247 750

ppurcell@apga.org.au