



MEDIA RELEASE

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Victorian Government must finally embrace the role of gas in the energy transition

Indefinite delays to Victoria's offshore wind program has highlighted the vital role of natural gas must play as Australia's energy failsafe, with gas generation partnered with renewables the only immediate way to deliver low-carbon electricity that reduces emissions and ensures the stability of the system.

The Federal Government's decision to veto the Victorian Renewable Energy Terminal on environmental grounds illustrates the challenges of putting all the energy eggs in one basket, with Victoria now likely to prolong its reliance on brown coal clunkers – which are twice as emissions-intensive as natural gas.

"This decision highlights the importance of having multiple viable options for Australia's future energy requirements. We are seeing a continuing pattern that assumes modelled outcomes will be matched in the real world and that announcing a project means it can be taken as delivered," APGA chief executive Steve Davies said.

However, by embracing natural and renewable gases in generation as well as for household and industry use, Victoria can lower demand on the electricity system, increase the supply of low-carbon electricity to the NEM all while putting downward pressure on energy bills during the ongoing cost-of-living crisis.

The UK provides a ready-made roadmap, which utilised and supported natural gas to drive out coal generation while it developed its nascent offshore wind program. Between 2012 and 2017, it resulted in coal generation falling by 85%, emissions by more than 52% while overall price per MWh also fell by 5%.

Gas-powered generation rose by 44% over this period.

APGA chief executive Steve Davies says in five years, the UK halved electricity emissions and supported renewables while keeping prices and its grid stable – and they didn't have Australia's gas reserves.

"To transition to a low-carbon future without the lights going out, Victoria must embrace natural and renewable gas without delay by advocating for its inclusion in the Capacity Investment Scheme," Mr Davies said.

"The most recent draft Integrated System Plan, which did not account for delays in offshore wind, revealed Australia requires the equivalent of 17 Hunter Power Projects (750MWs) in order for the NEM to remain reliable in a net zero future. This generation must be prioritised, alongside renewable projects, to ensure Australia can get off coal as quickly as possible without the lights going out."

"Australia's pipelines are capable of delivering more energy than the entire electricity system every day. But we must get more gas into the system to help drive down bills in tandem with lowering emissions."

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