



MEDIA RELEASE

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Victorian Government's proposed Renewable Gas Target welcomed but must be inclusive

The Australian Pipelines and Gas Association (APGA) has welcomed the release of the Victorian Government's Renewable Gas Directions Paper, which provides a foundation for the state's nascent renewable gas industry. However, excluding commercial and residential sectors from renewable gas policy risks leaving behind households and businesses that will require carbon-neutral gases as part of their decarbonisation efforts.

The paper proposes Australia's first Renewable Gas Target (RGT), which will help provide necessary market signals for accelerating the development of renewable gases, such as biomethane and green hydrogen.

The initial proposal focuses on industrial and gas-powered generation demand, but would prevent millions of Victorian homes and businesses from decarbonising their own gas use through the market certificate trading scheme. The proposed model of spreading costs across all households and businesses without offering them the benefits or choice of renewable gases risks slowing industry's ability to scale efficiently and effectively.

APGA chief executive Steve Davies praised the Victorian Government for its renewable gas leadership, but emphasised the need for an inclusive approach to scale the nascent industry at the lowest possible cost.

"This is a welcome first step by the Victorian Government, and we look forward to participating in the consultation process so renewable gases can be developed and delivered at the lowest cost," Mr Davies said.

"If homes and businesses are going to be asked to help carry the costs, it is reasonable to allow them access to the certificate trading scheme. For many, electrification is the right choice for their needs. However, for others, including medium-to-high density housing, commercial kitchens and manufacturers, a carbon-neutral gas solution that leverages existing gas networks is essential to ensuring affordable and reliable energy."

"Ultimately, the goal must be to decarbonise both gas and electricity in tandem, ensuring a seamless and affordable energy transition for all Victorians, rather than prioritising one source of energy over another."

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.

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