



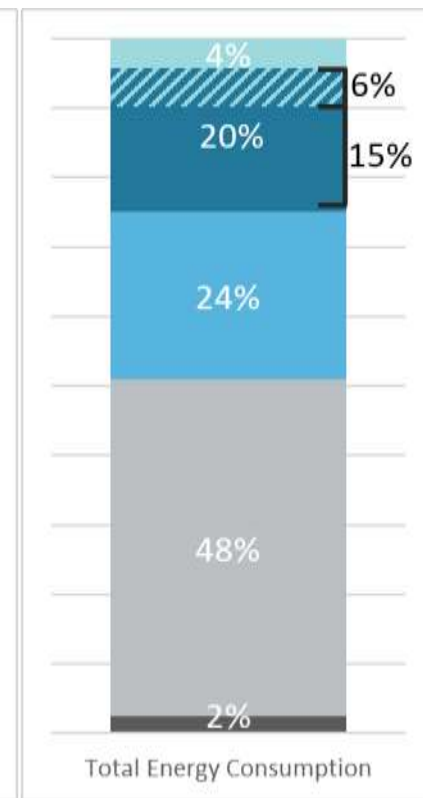
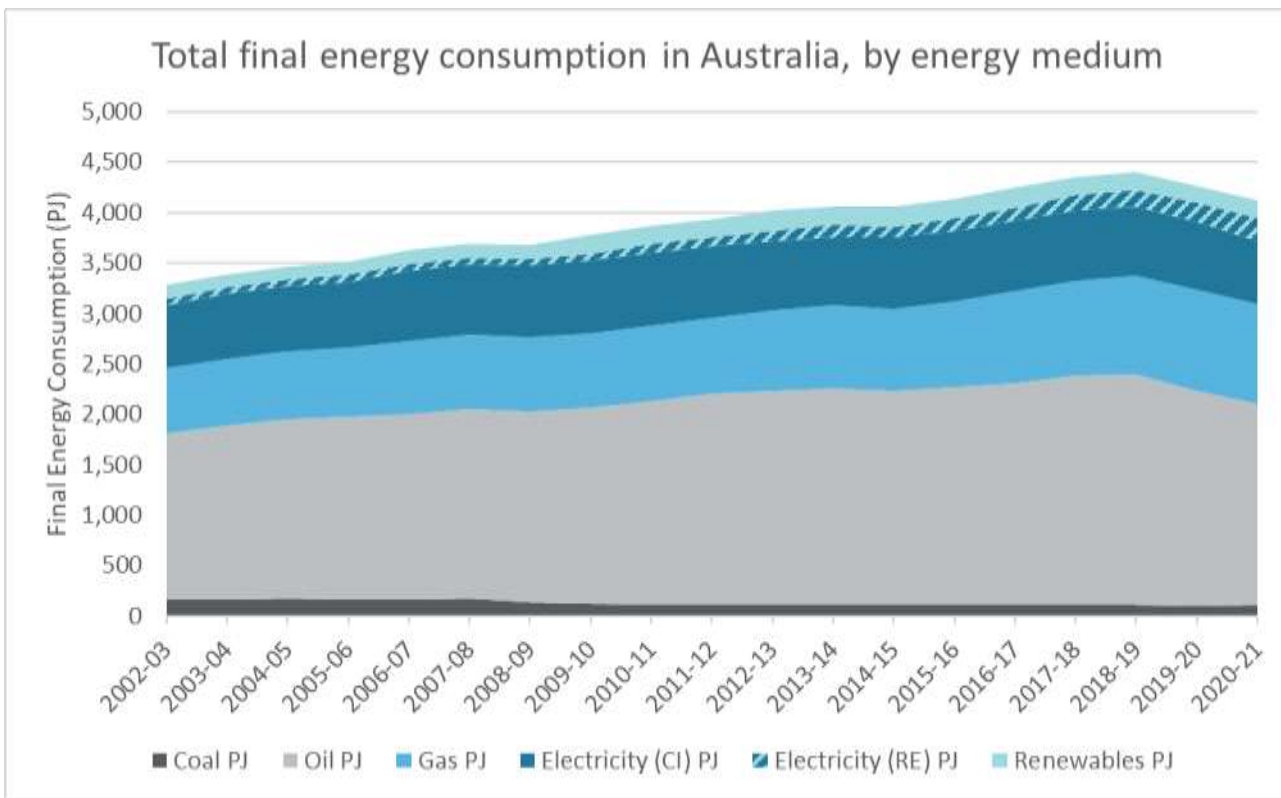
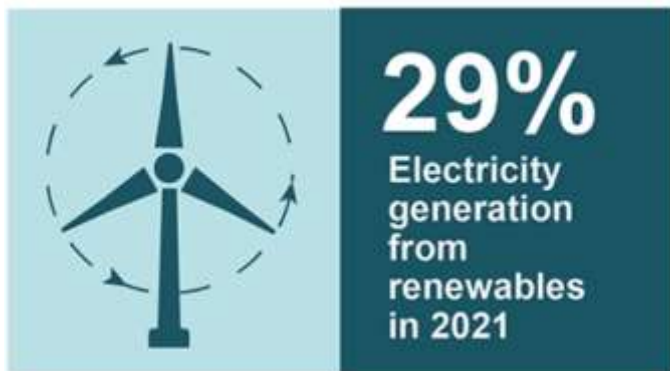
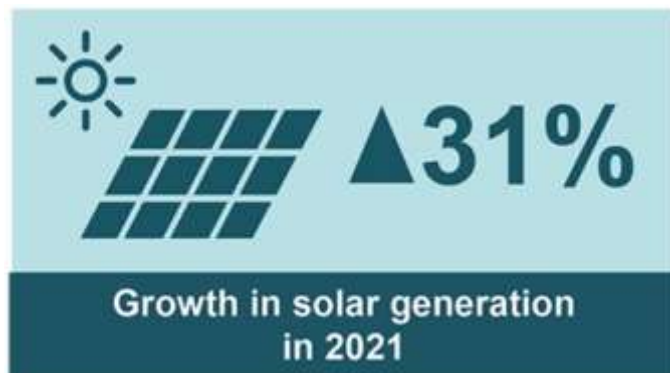
Renewable gas economic analysis 2024 update



Australian Pipelines and Gas Association
February 2024

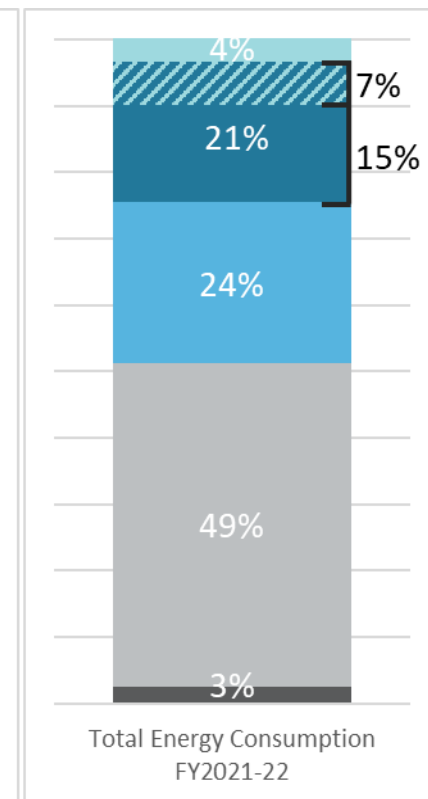
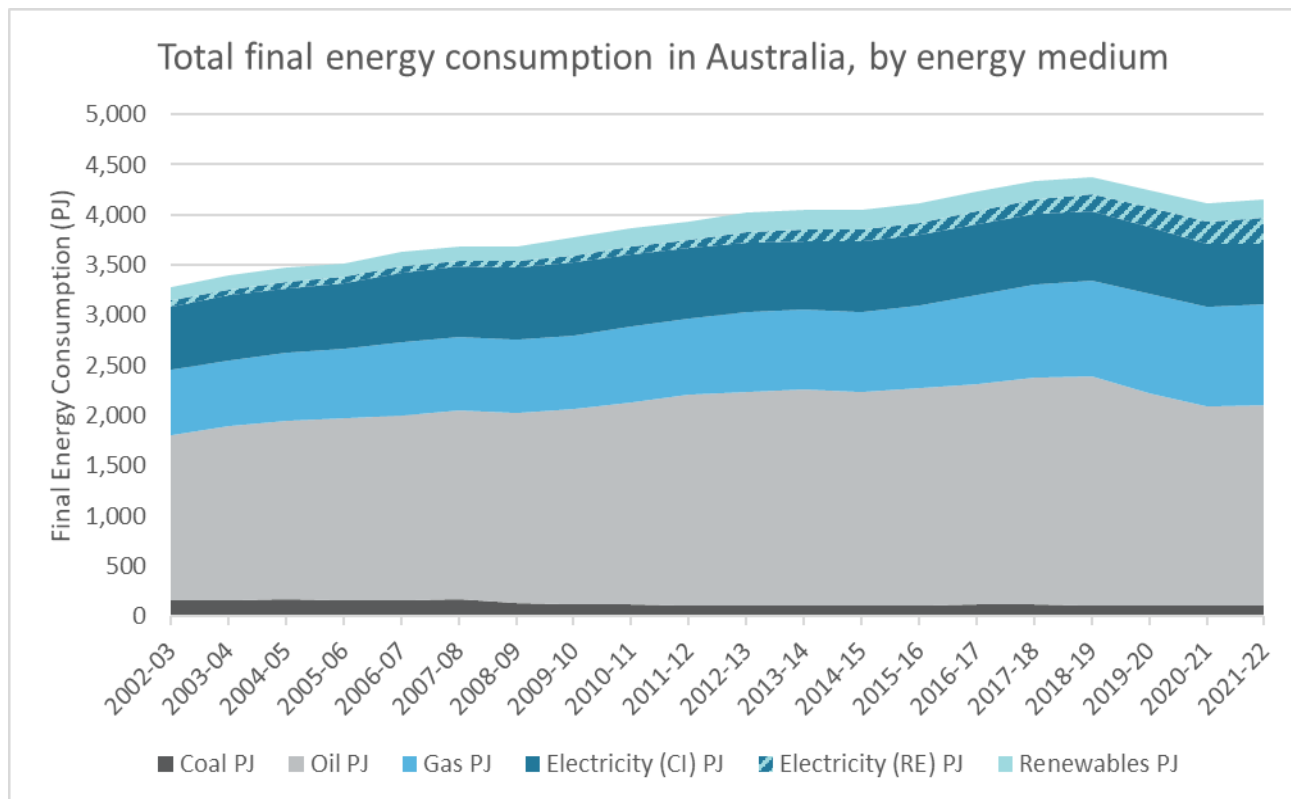
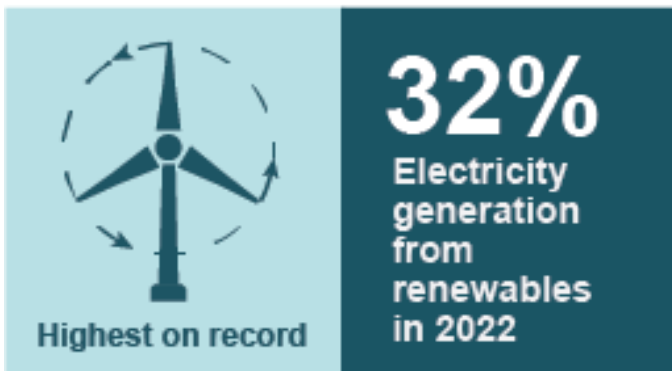
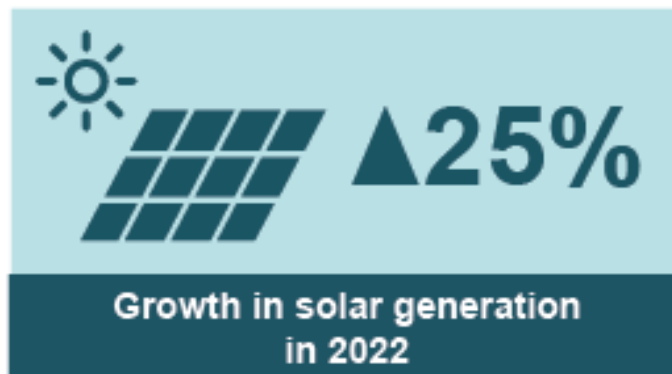
Why are renewable gases important?

Australian Energy Statistics 2022 Update (FY2020-21)



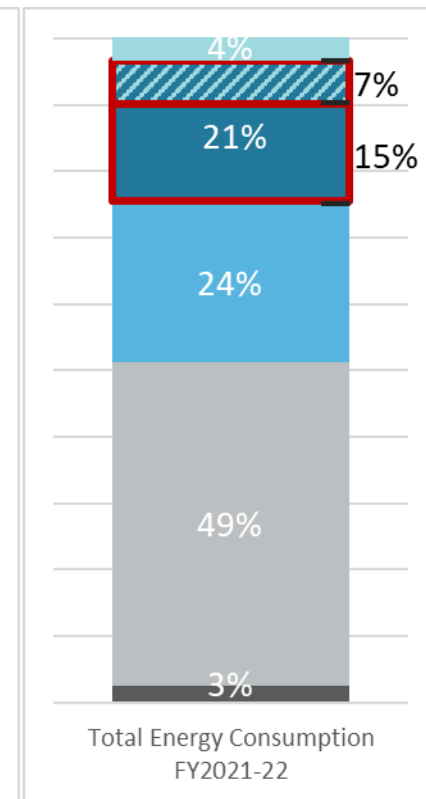
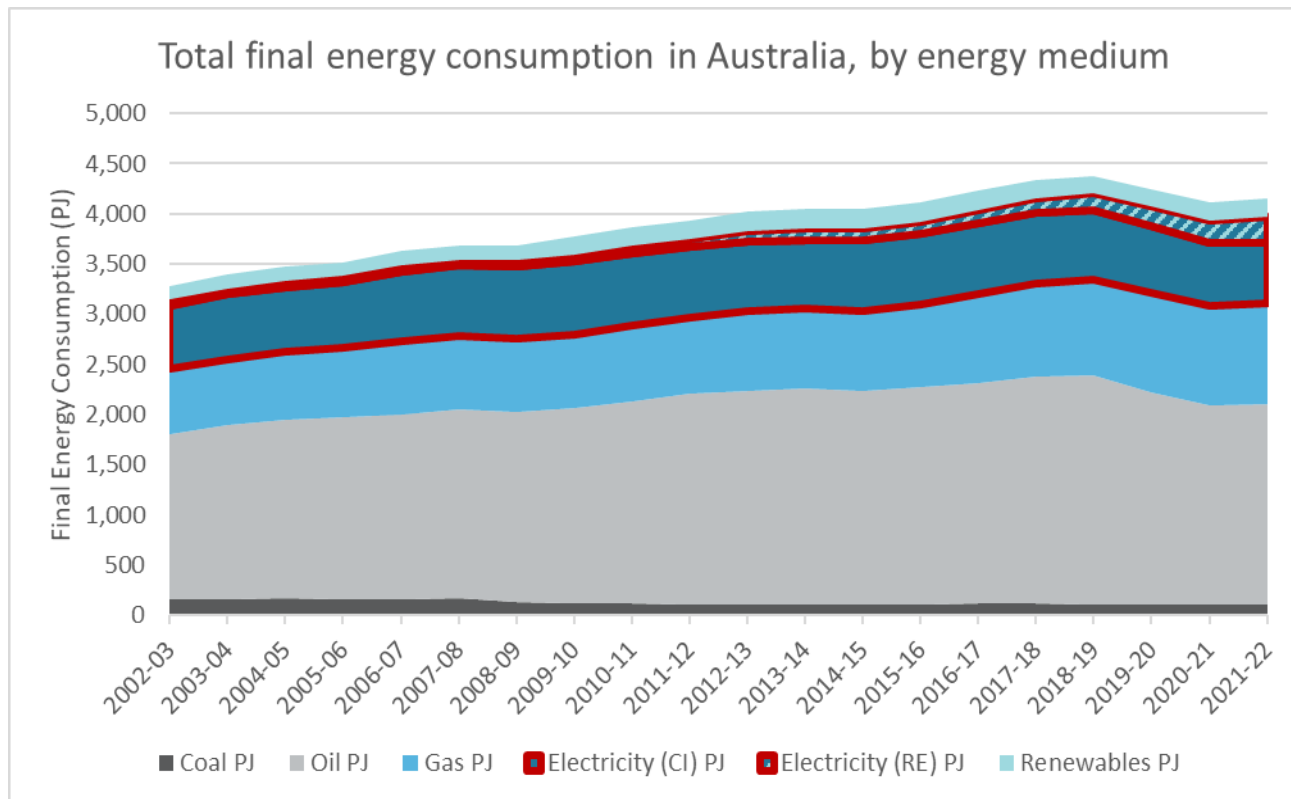
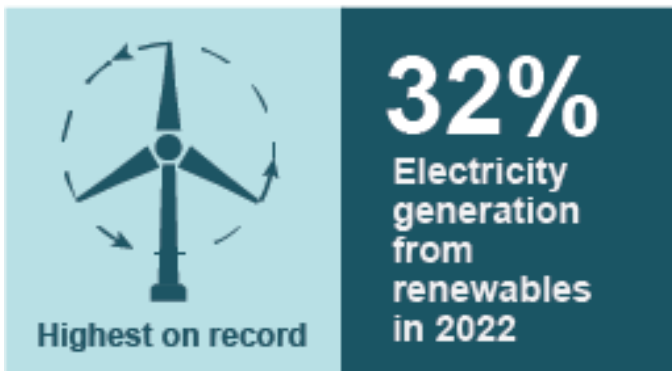
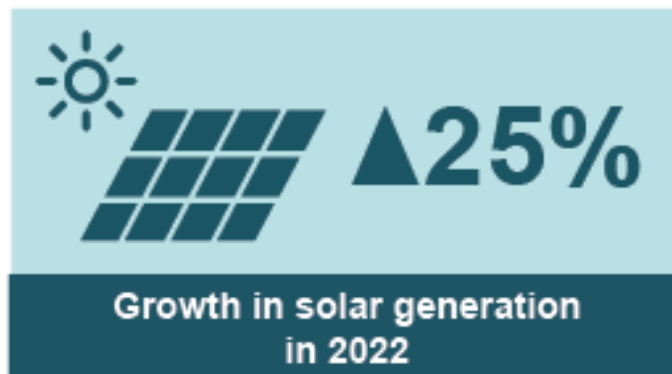
Why are renewable gases important?

Australian Energy Statistics 2022 Update (FY2021-22)



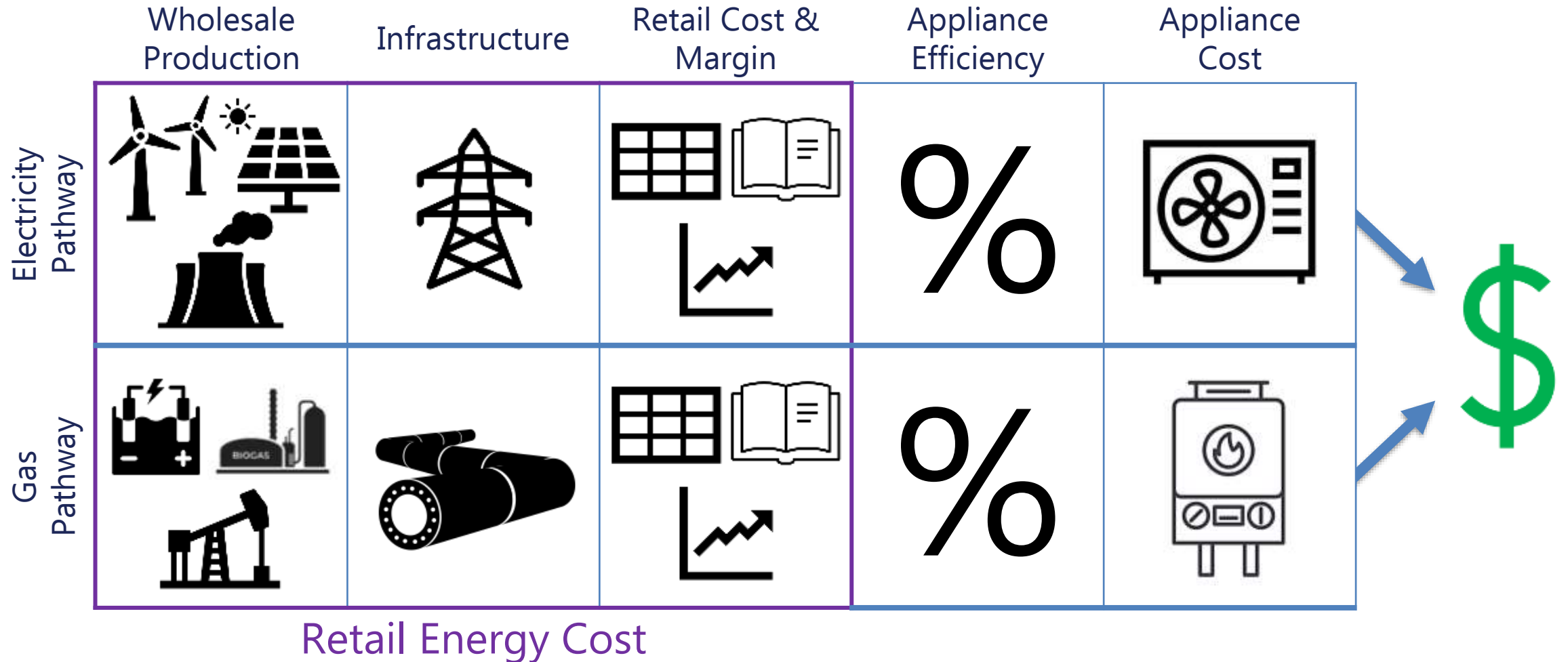
Why are renewable gases important?

Australian Energy Statistics 2022 Update (FY2021-22)



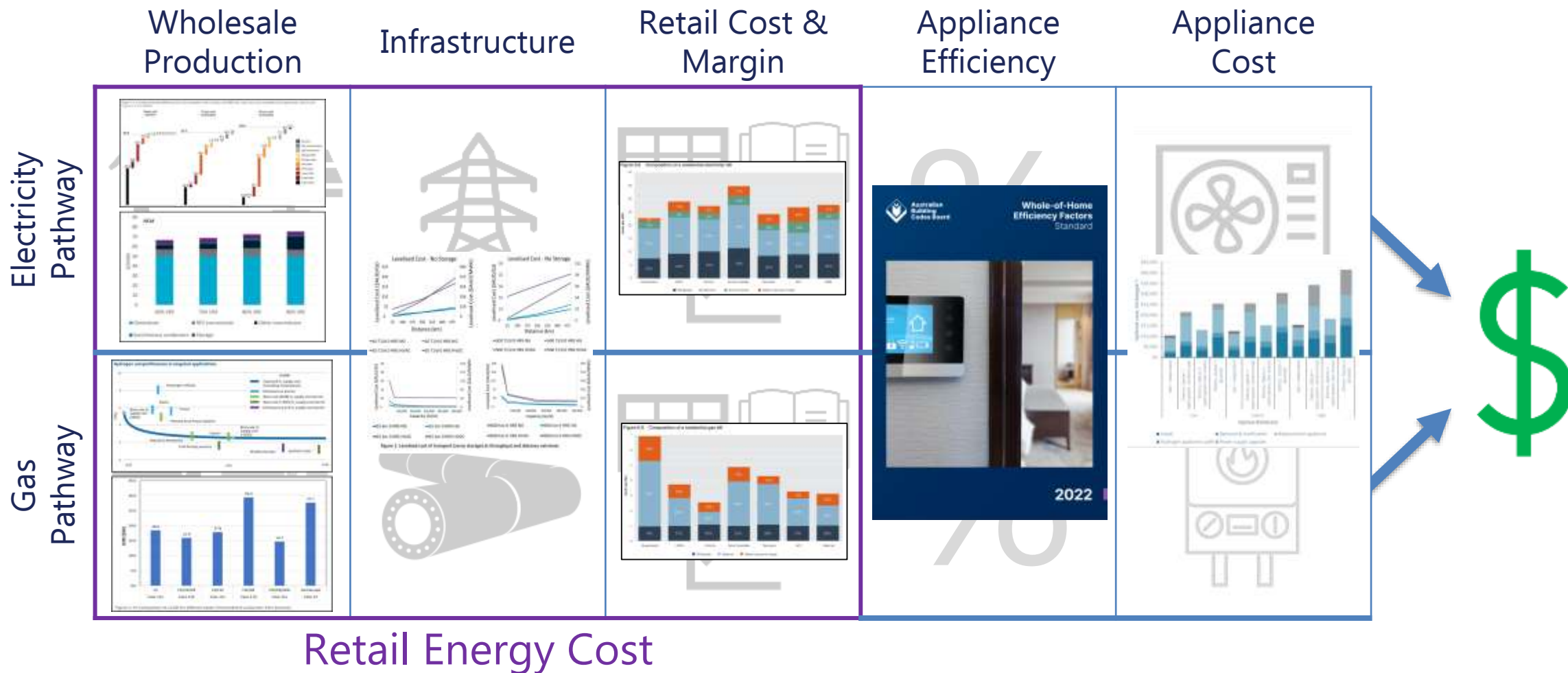
Total Customer Cost

Constituent components of Total Customer Cost



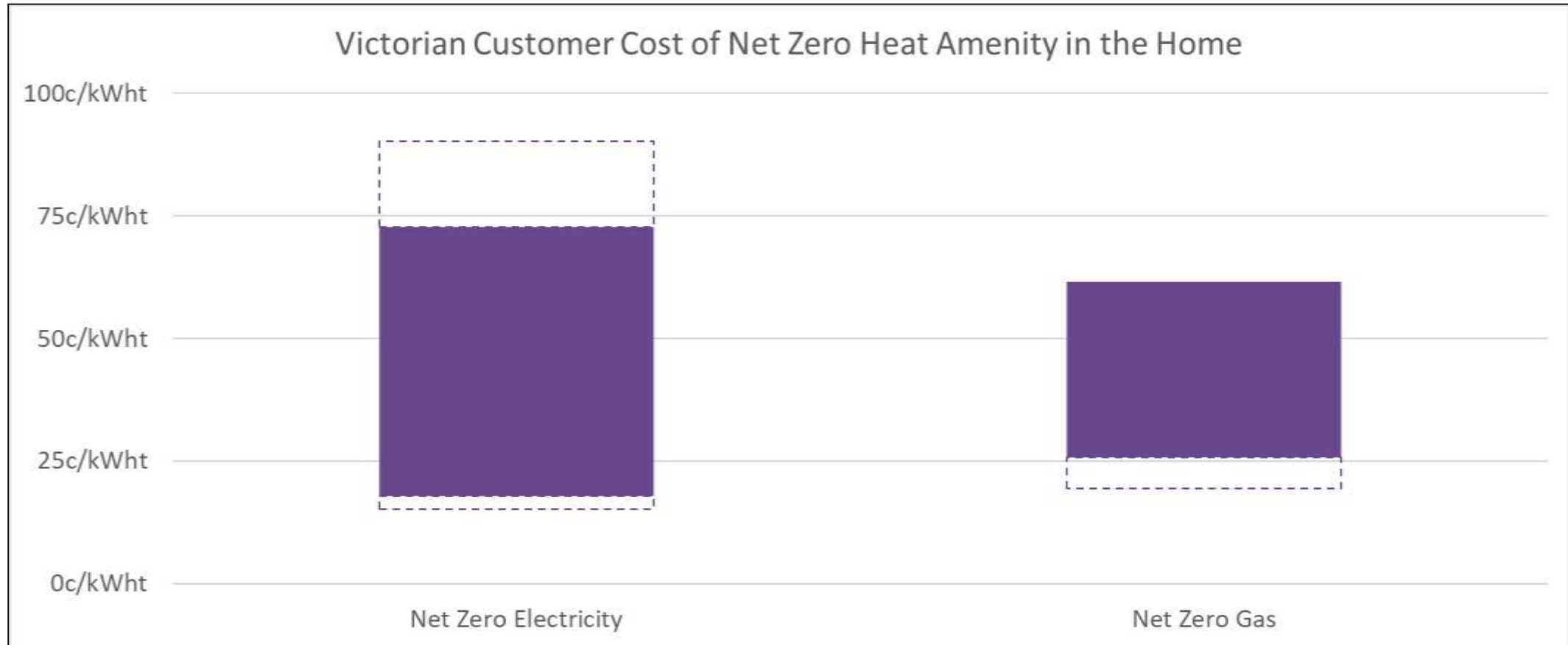
Total Customer Cost

Constituent components of Total Customer Cost



Macroeconomic analysis of Total Customer Cost

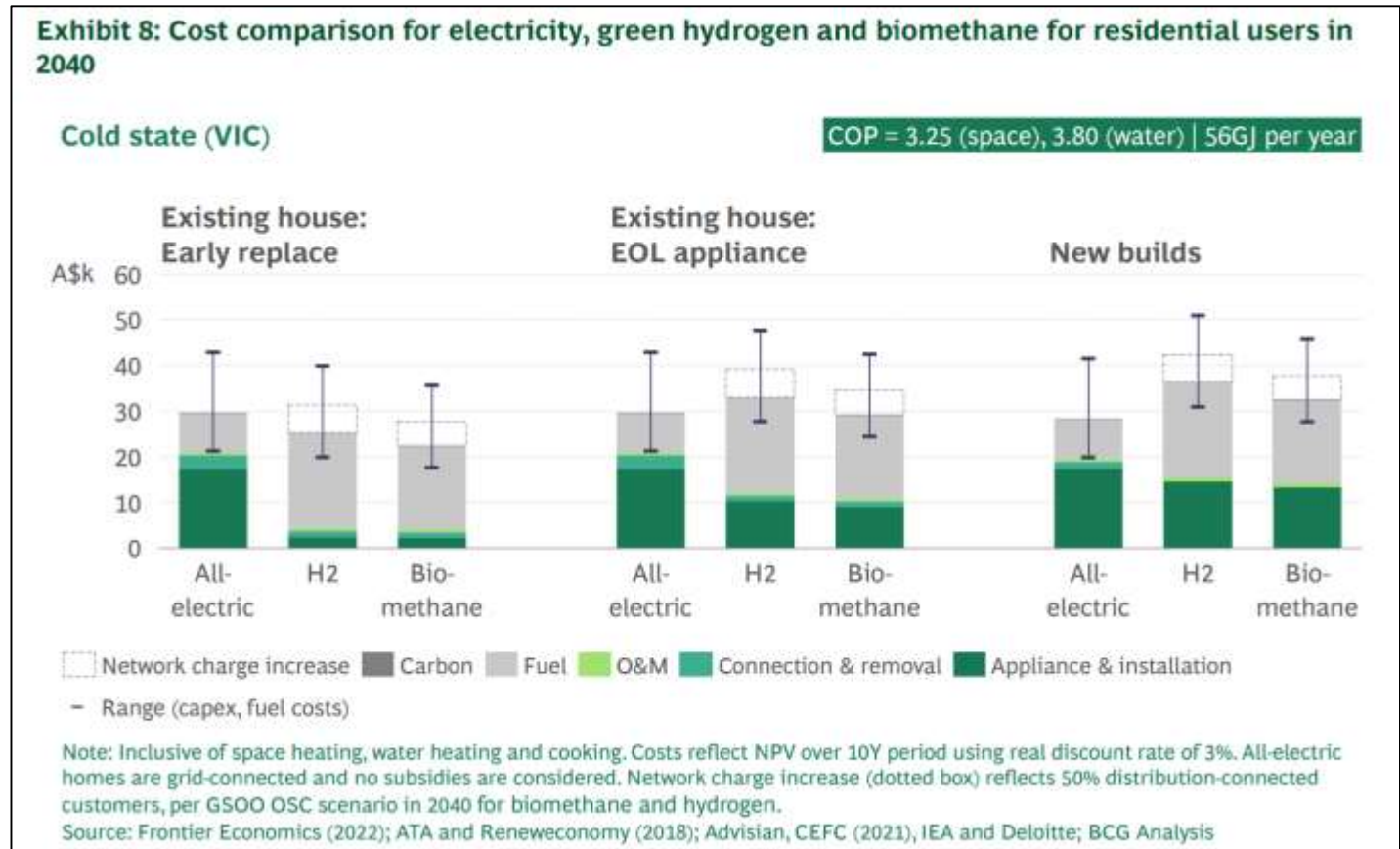
Net zero heat in the home



New analysis by Boston Consulting Group (BCG)

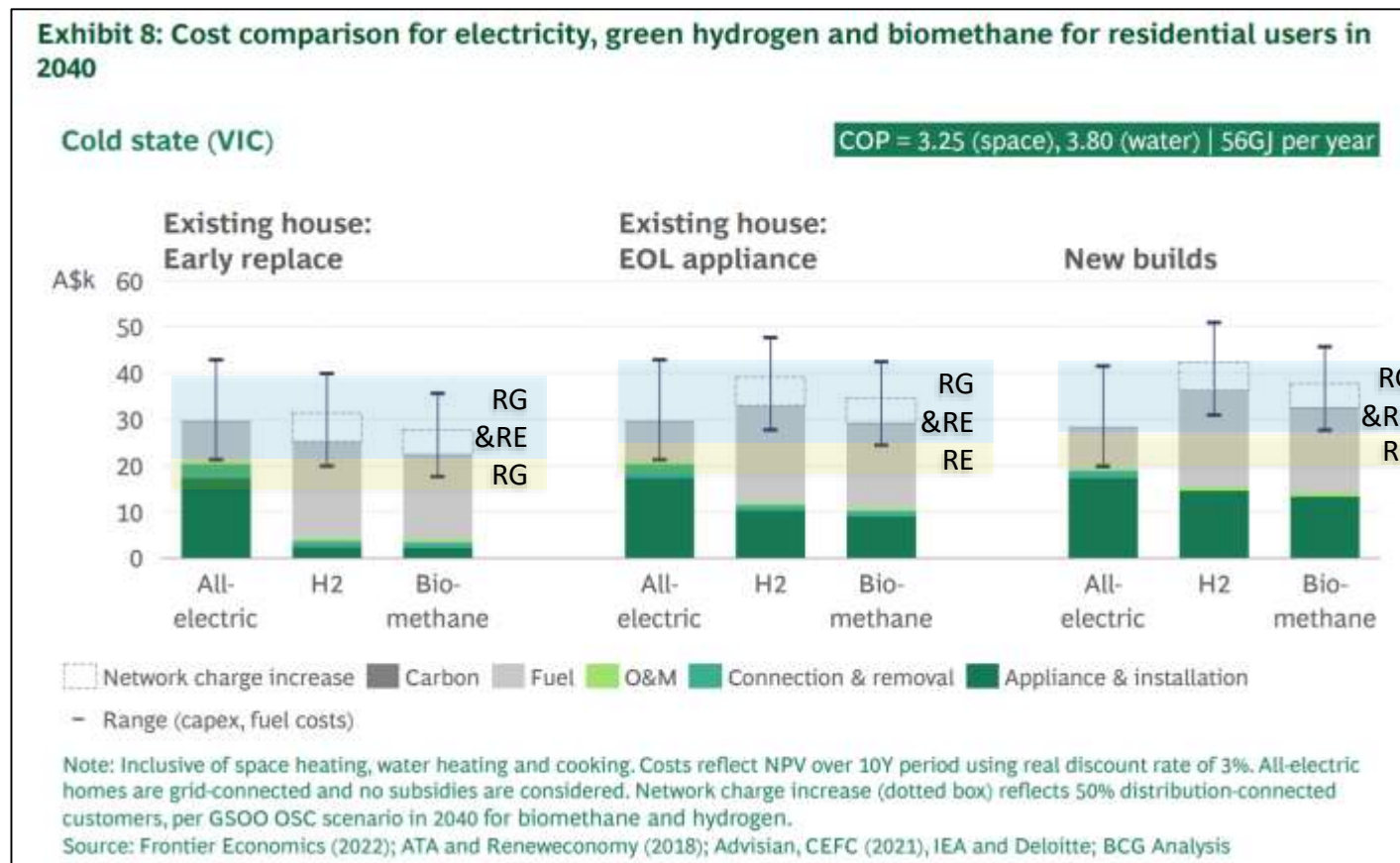
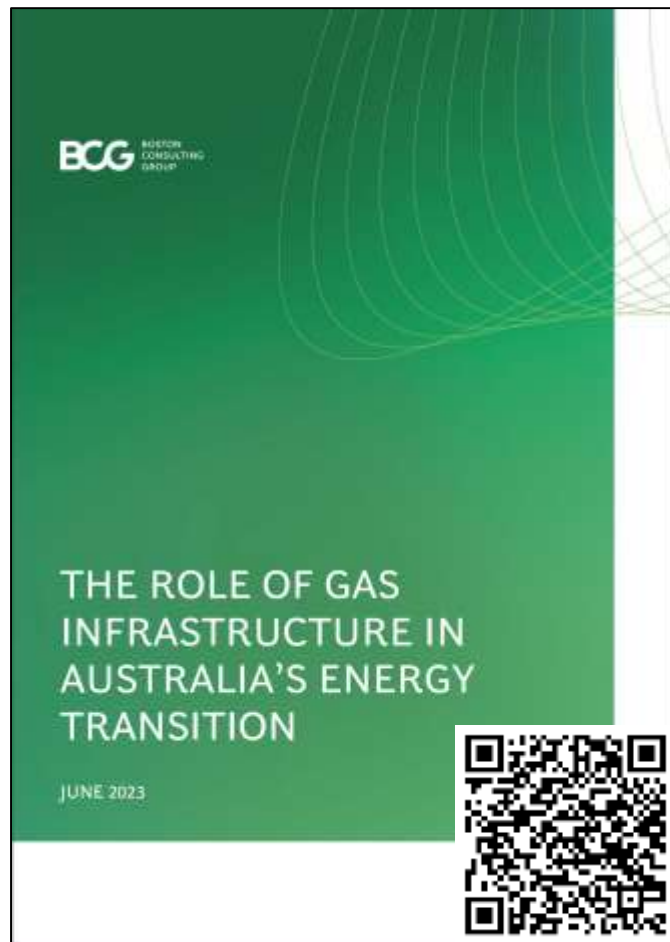


Cost comparison for electricity, green hydrogen and biomethane in the home



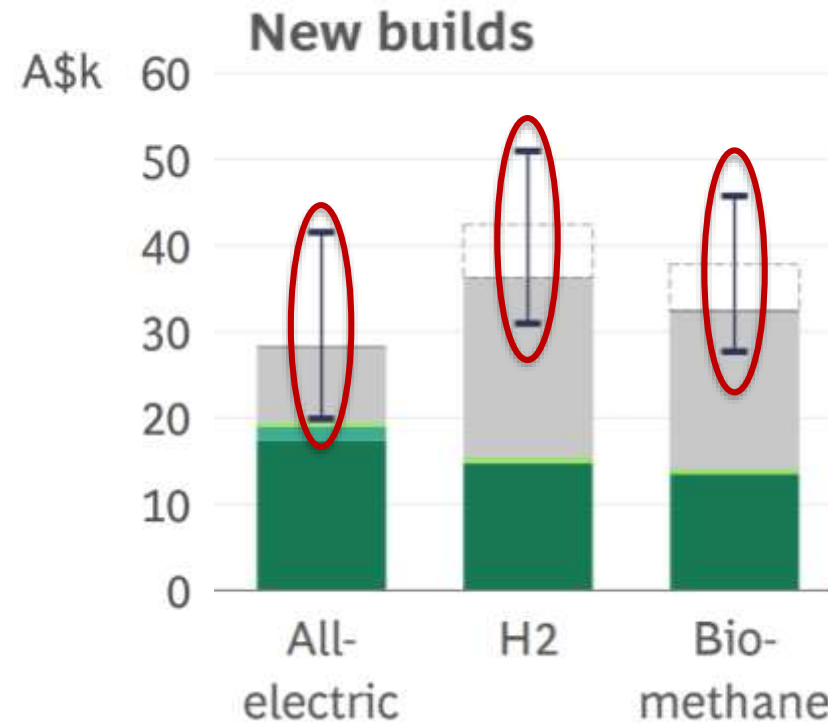
New analysis by Boston Consulting Group (BCG)

Cost comparison for electricity, green hydrogen and biomethane in the home



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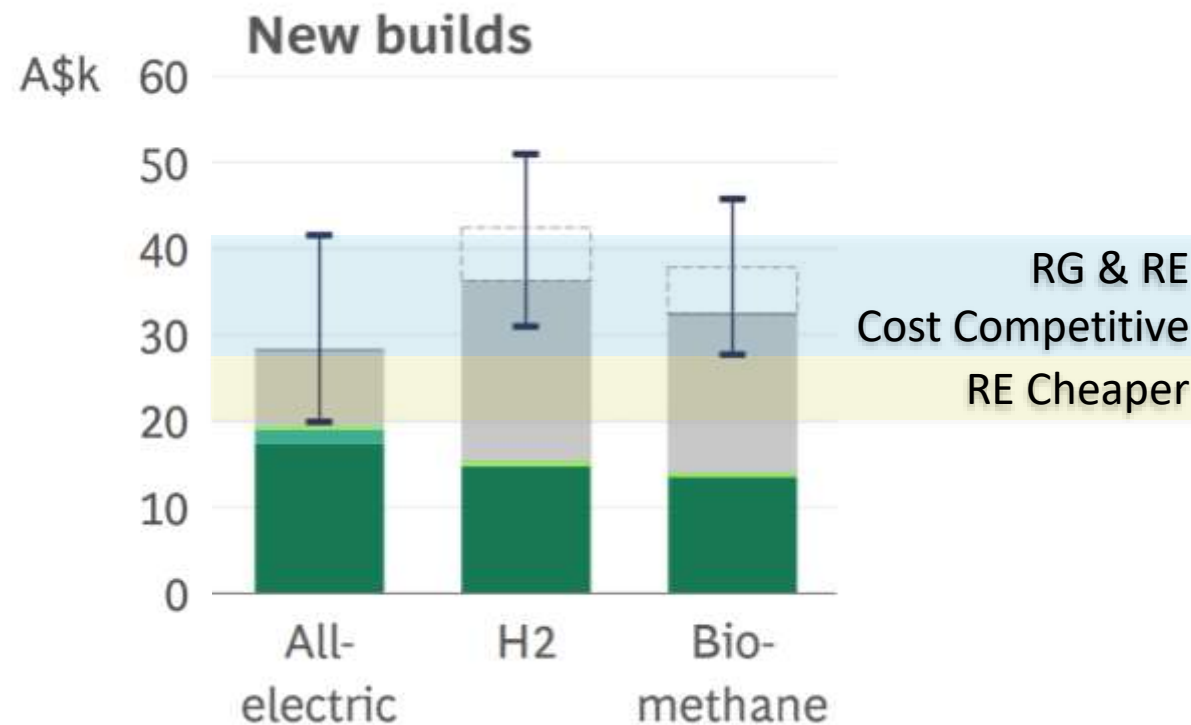
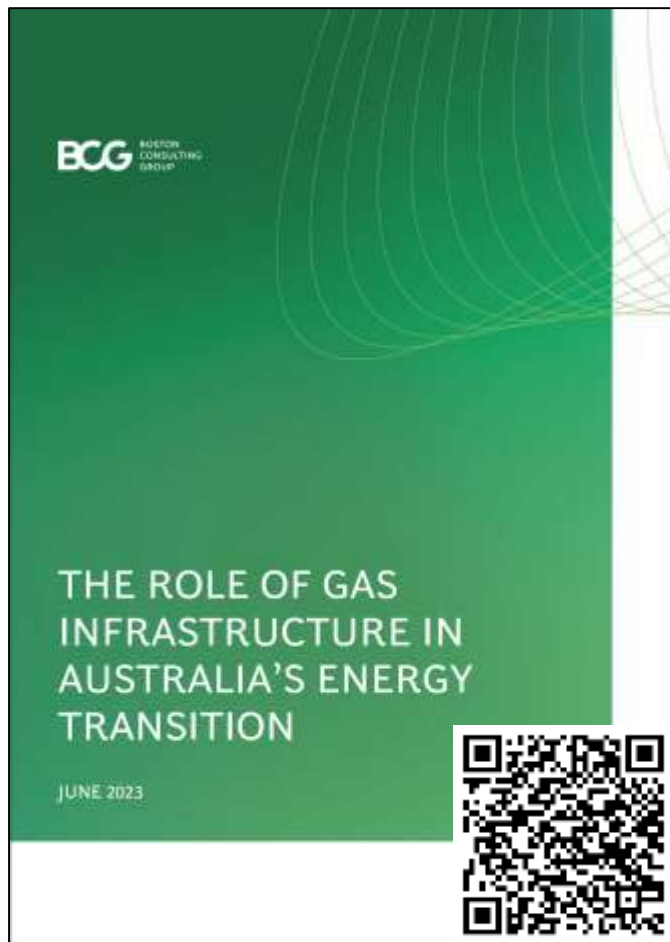
Learning: Where electrification and renewable gas advocates miss each other



Cost Ranges for
Renewable Gas
and
Electricity Options

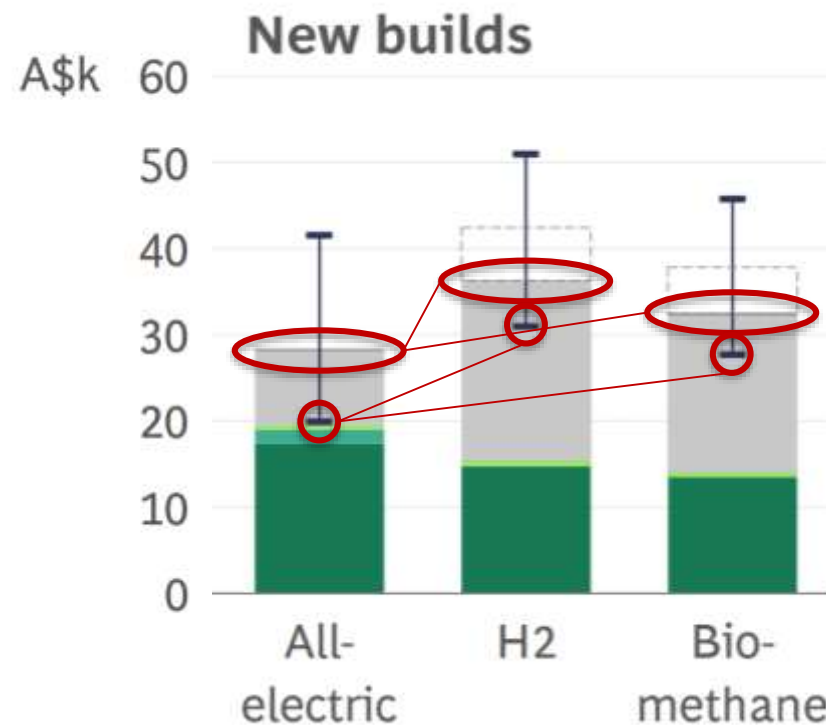
New analysis by Boston Consulting Group (BCG)

Learning: Where electrification and renewable gas advocates miss each other



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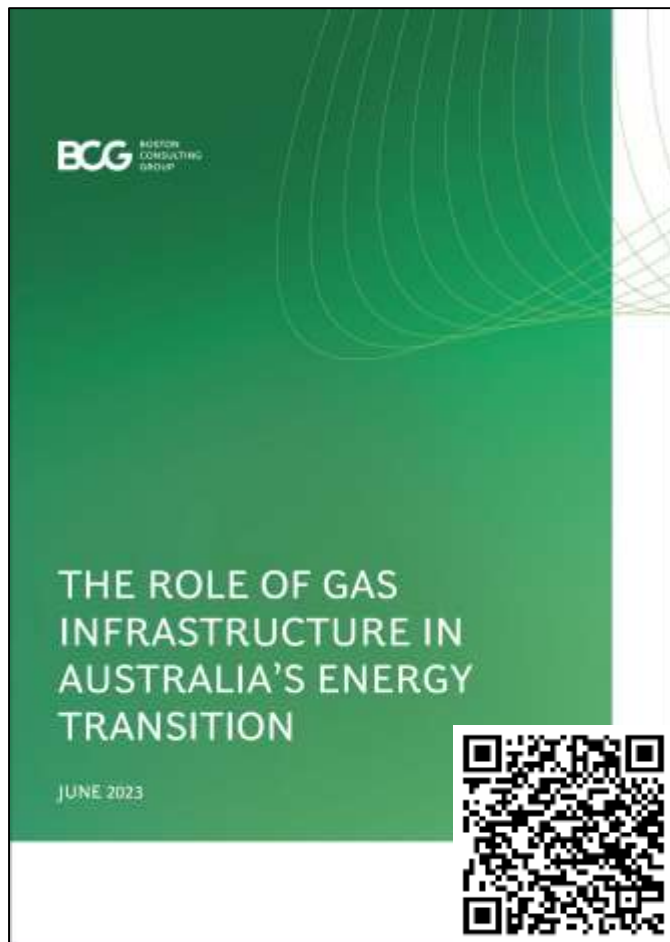
Renewable gas averages & minimums

Higher cost than

Electricity averages & minimums

New analysis by Boston Consulting Group (BCG)

Learning: Where electrification and renewable gas advocates miss each other



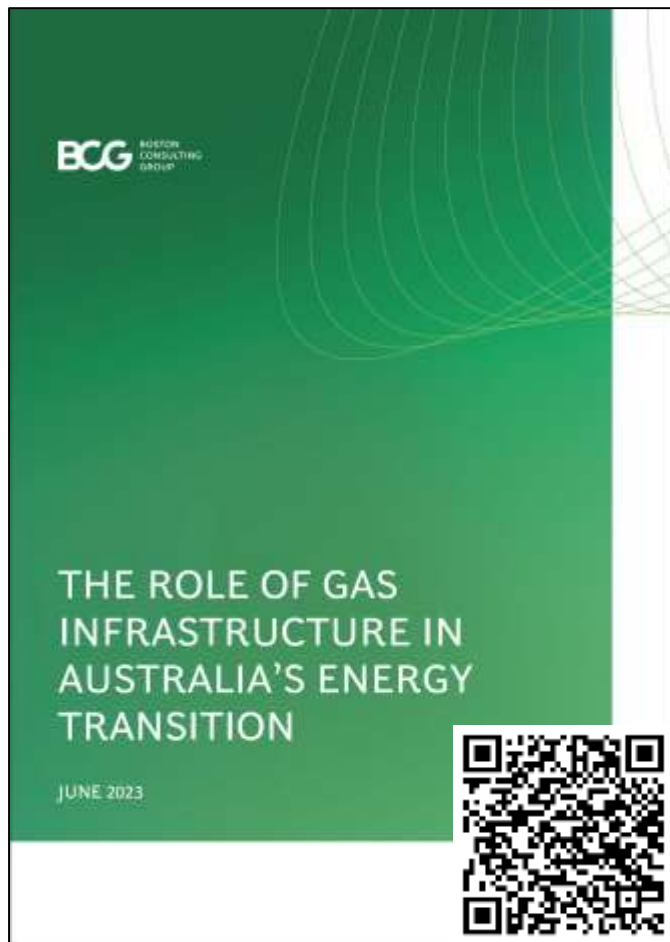
Renewable gas minimums

Lower cost than

Electricity maximums

New analysis by Boston Consulting Group (BCG)

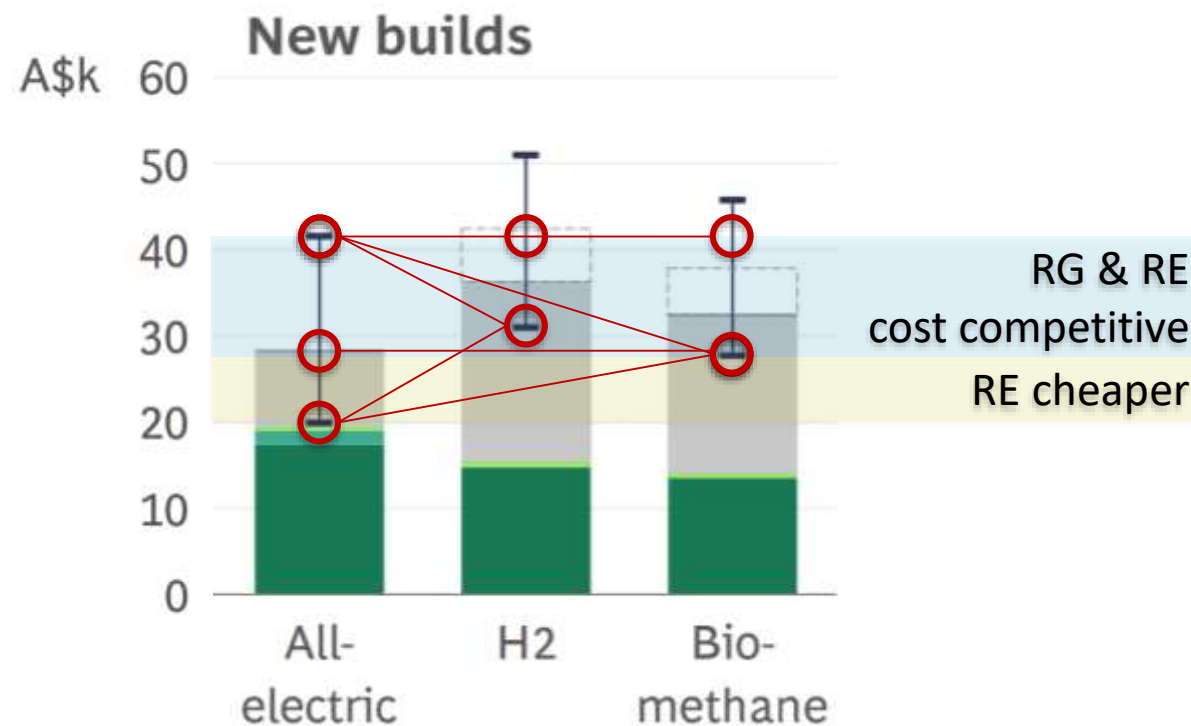
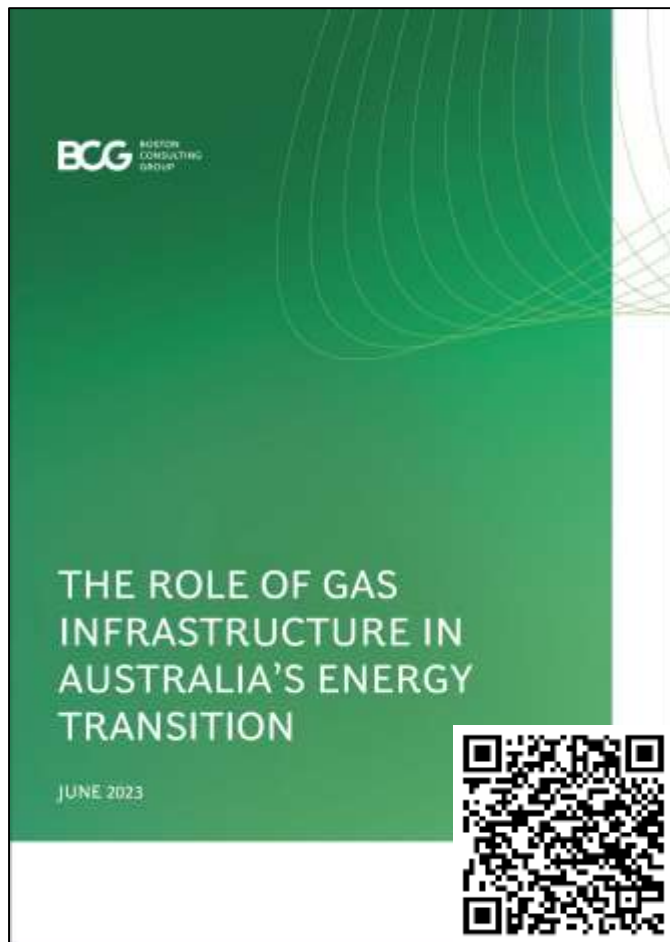
Learning: Where electrification and renewable gas advocates miss each other



Renewable gas
equivalent cost to
Electricity

New analysis by Boston Consulting Group (BCG)

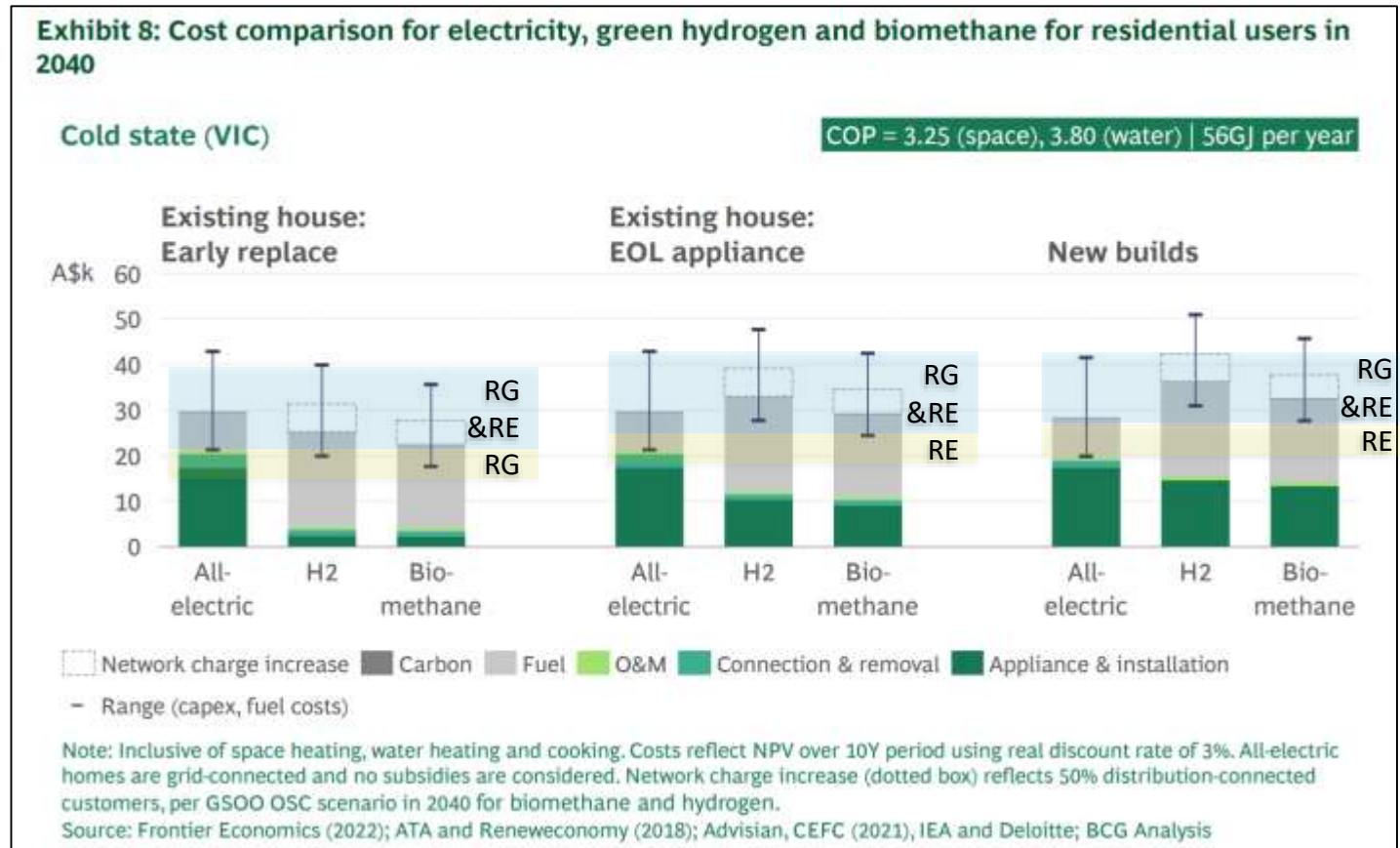
Learning: Where electrification and renewable gas advocates miss each other



New analysis by Boston Consulting Group (BCG)

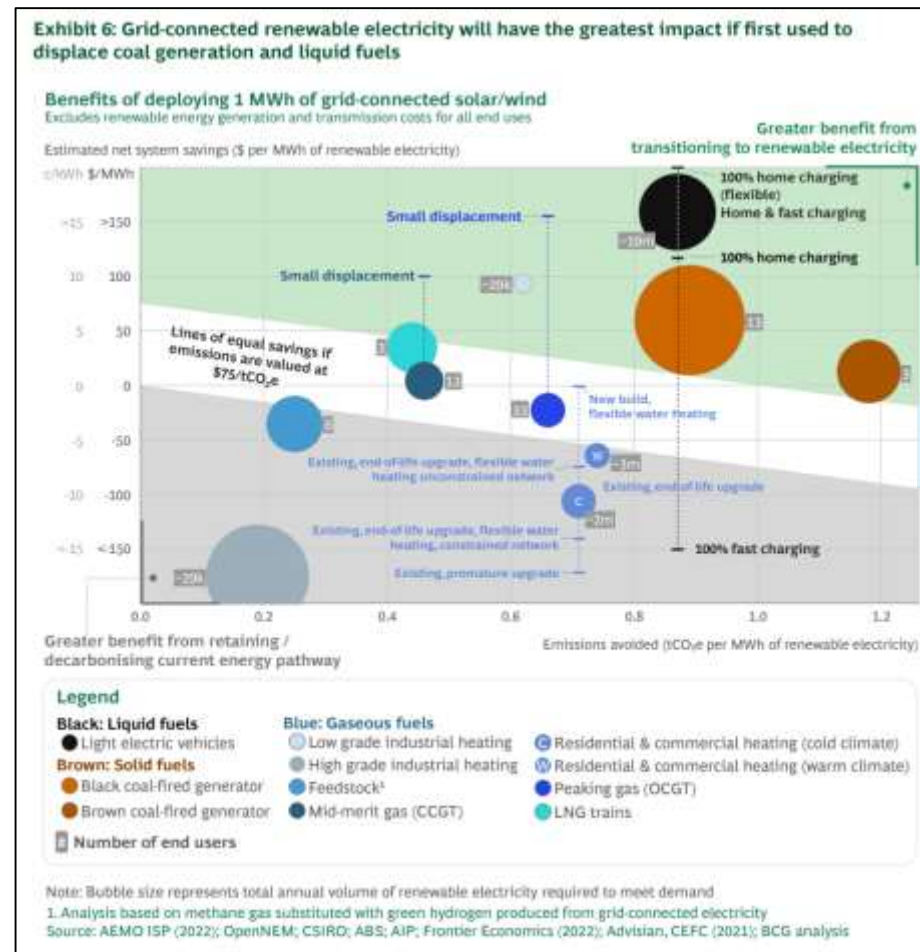
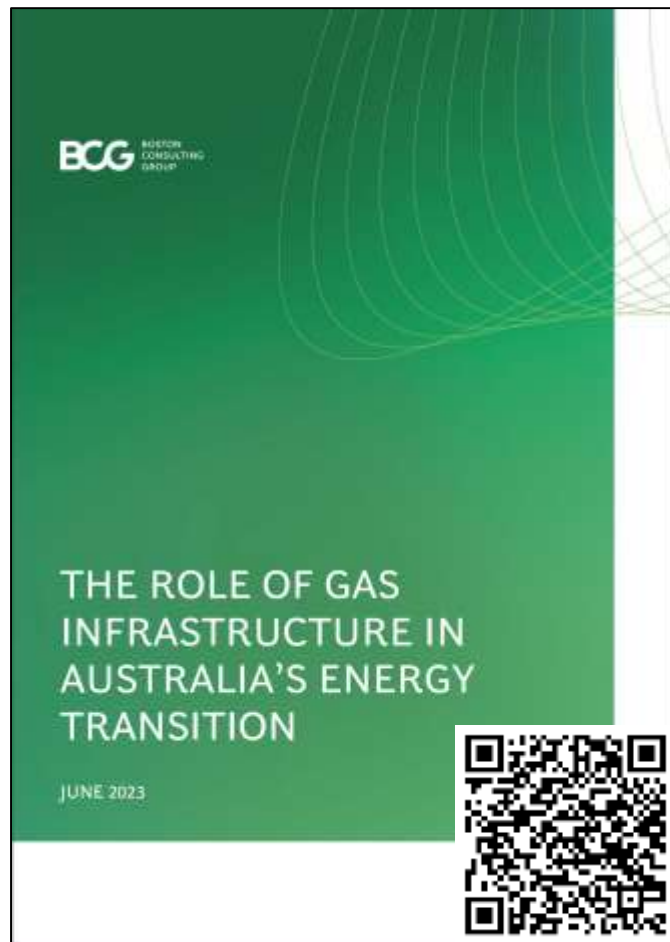


Conclusion: Renewable gas is *cost competitive* with electrification in the home



New analysis by Boston Consulting Group (BCG)

Cost competitiveness of renewable electricity and renewable fuels in industry



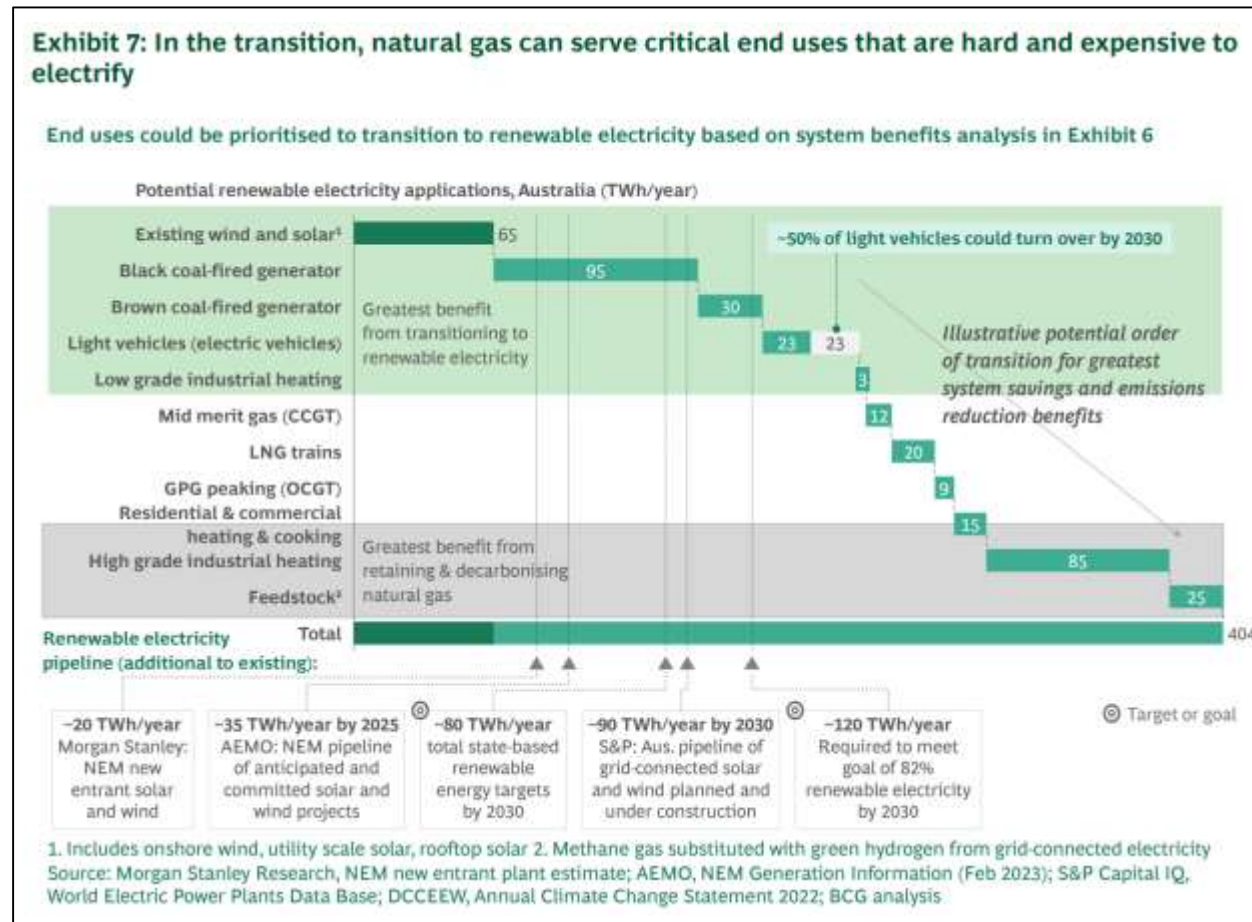
RE Cheaper

Cost Competitive

RG/RL Cheaper

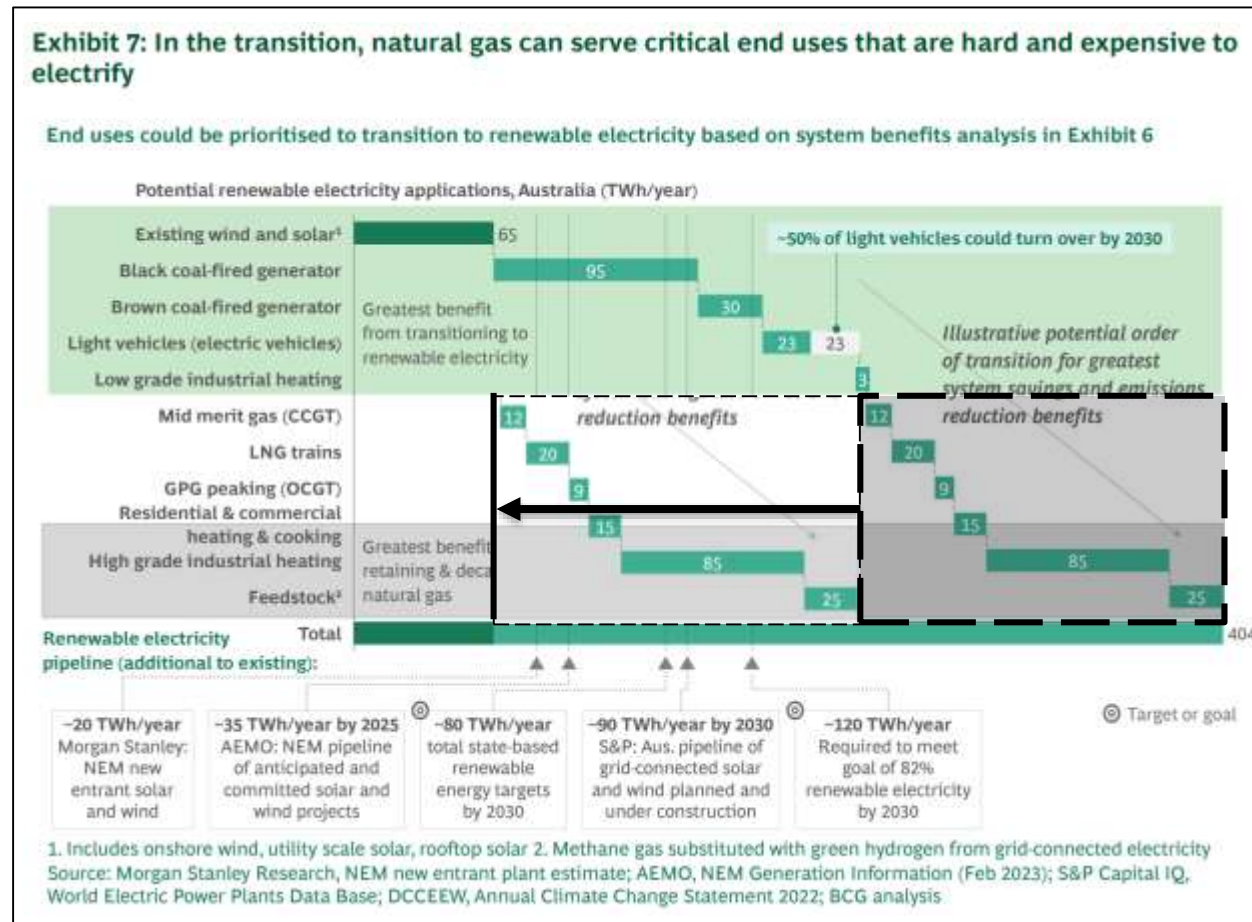
New analysis by Boston Consulting Group (BCG)

Prioritisation of each next terawatt hour of renewable electricity generation



New analysis by Boston Consulting Group (BCG)

Decarbonisation can happen faster and cheaper looking beyond renewable electricity

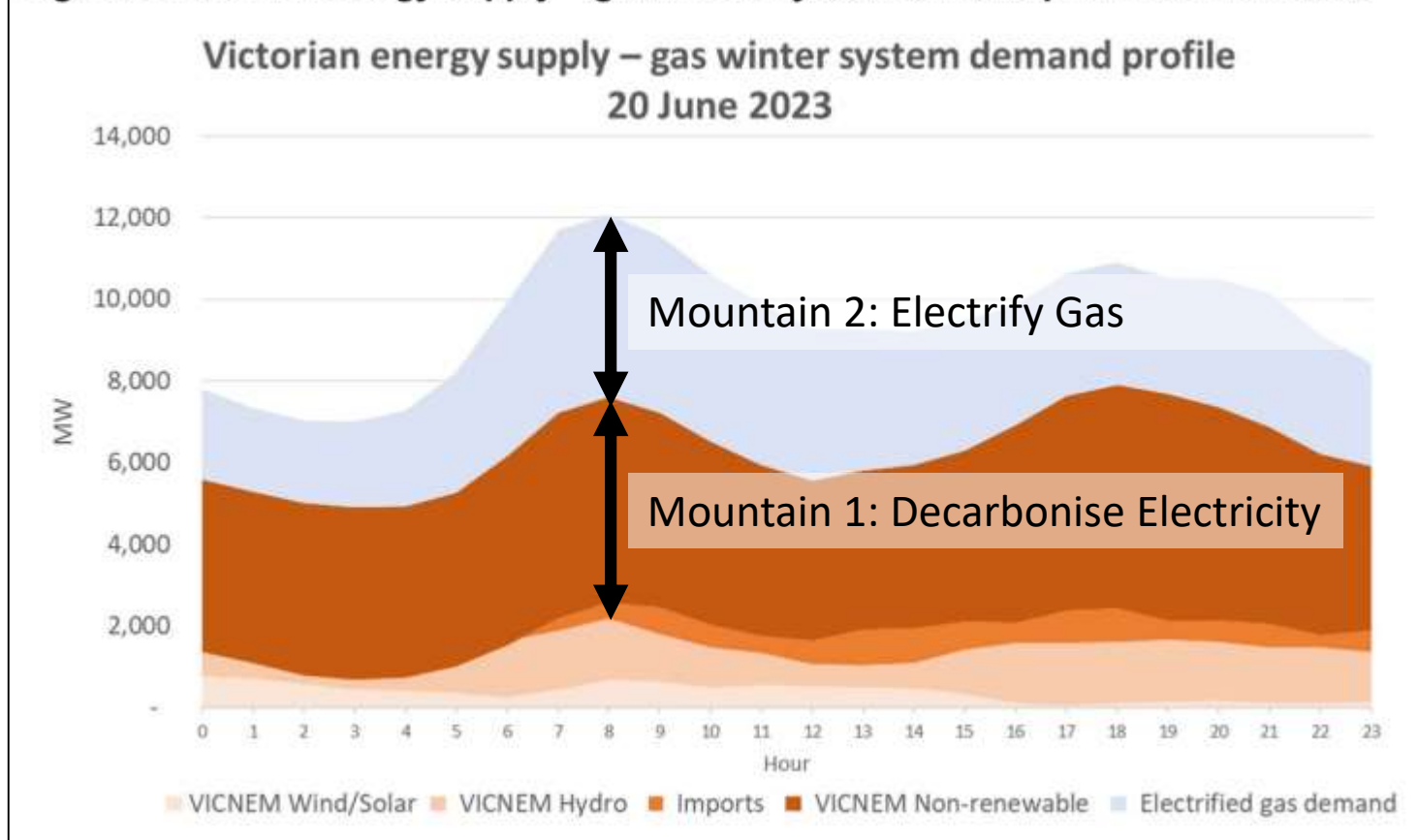


Analysis of Peak Demand in Victoria

Electrifying all Victorian gas demand creates an electric mountain

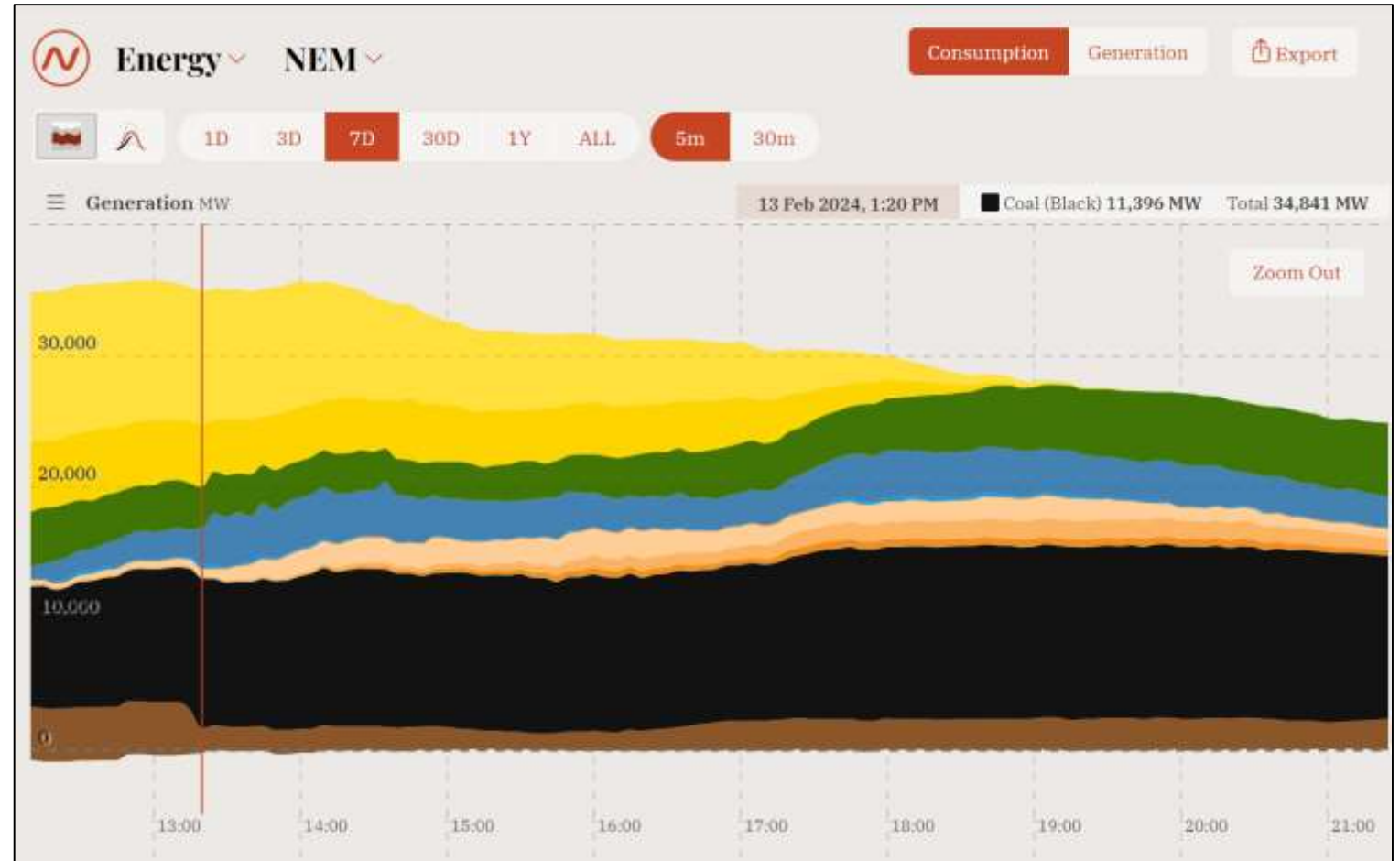


Figure 6 Victorian energy supply – gas winter system demand profile 20 June 2023



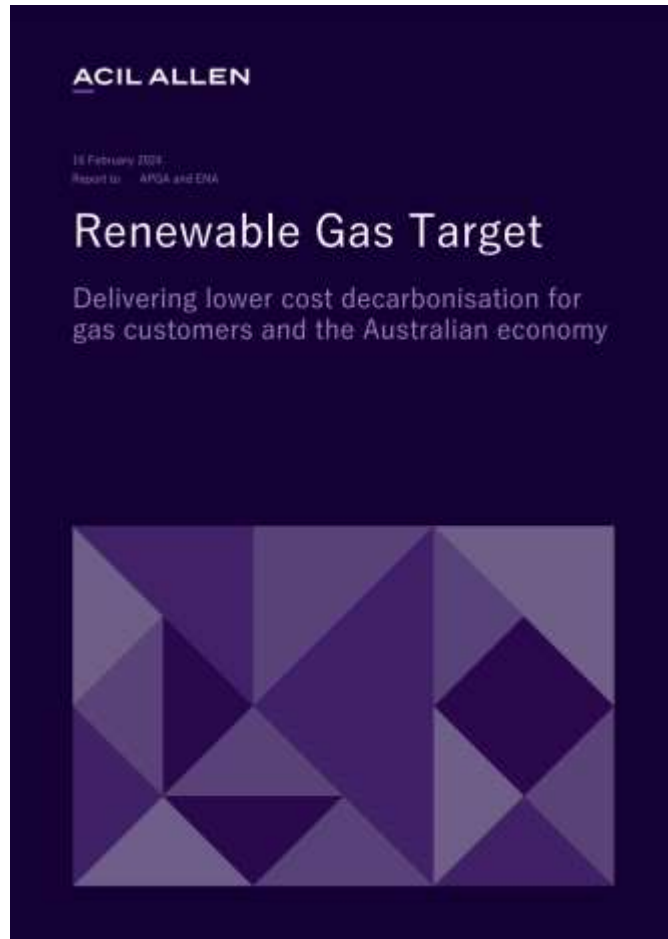
Analysis of Peak Demand in Victoria

Electrifying all Victorian gas demand creates an electric mountain



Economic analysis of a Renewable Gas Target

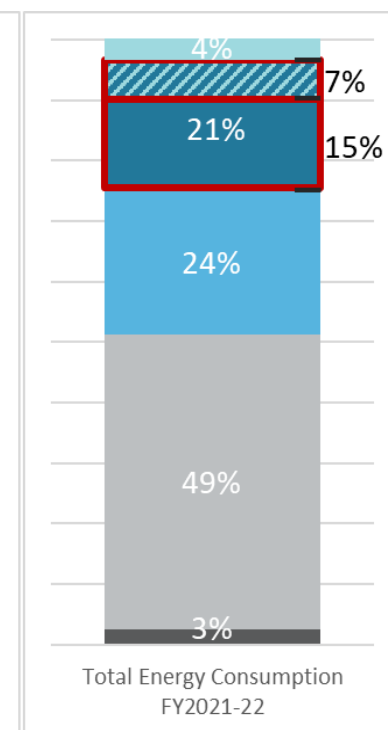
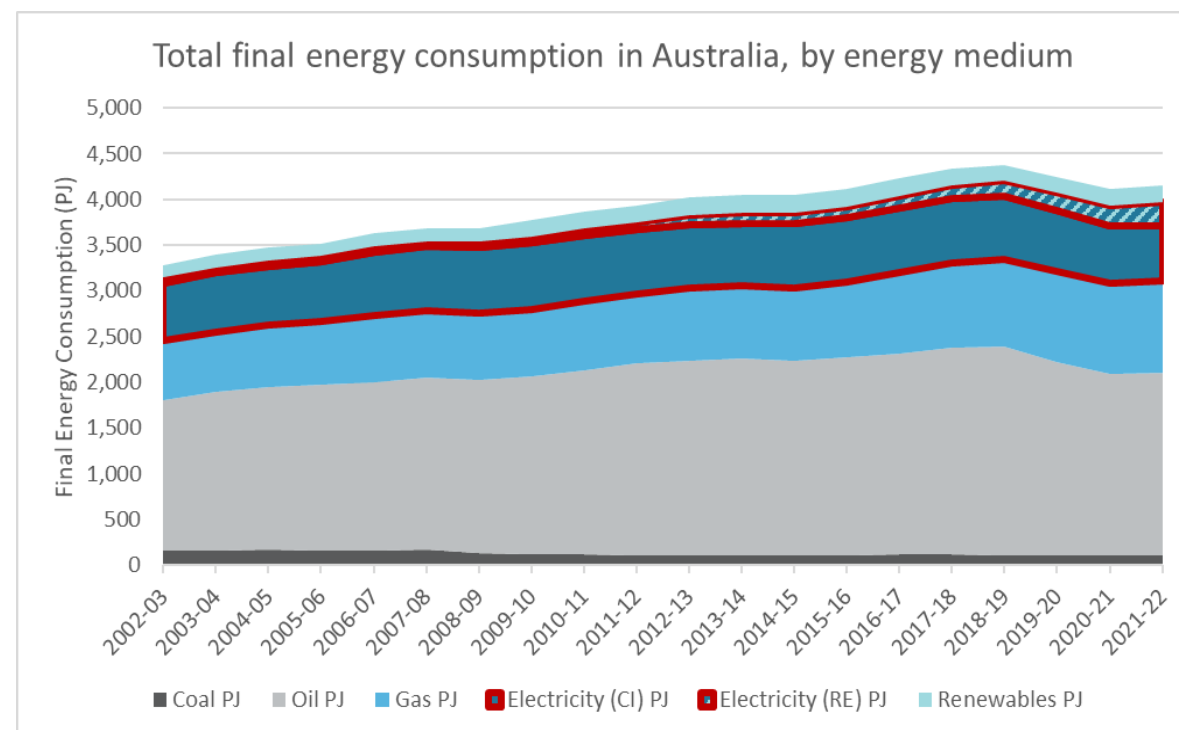
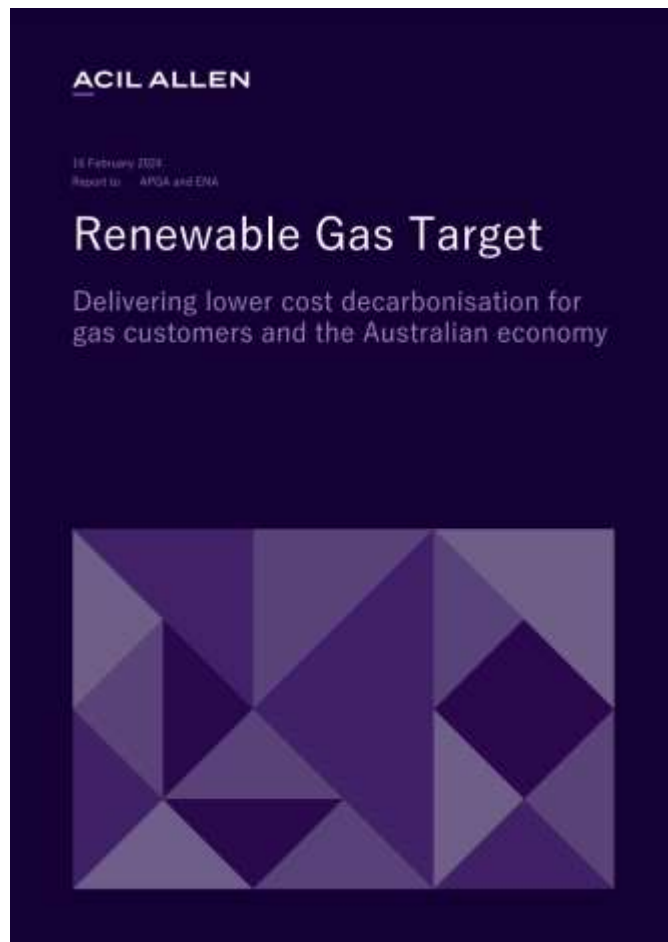
Delivering lower cost decarbonisation for gas customers and the economy



- First-of-its-kind micro- into macro- economic analysis of gas use decarbonisation
- Considers all gas customers: industrial, commercial and residential
- Seeks the least cost pathway to net zero emissions from domestic gas consumption
- Considers what it would cost to secure this pathway and bring renewable gas production forward via an RGT
- Compares this to the economic impact of constraining customer choice to electrification where electric options exist.
- Results to be released April 2024.

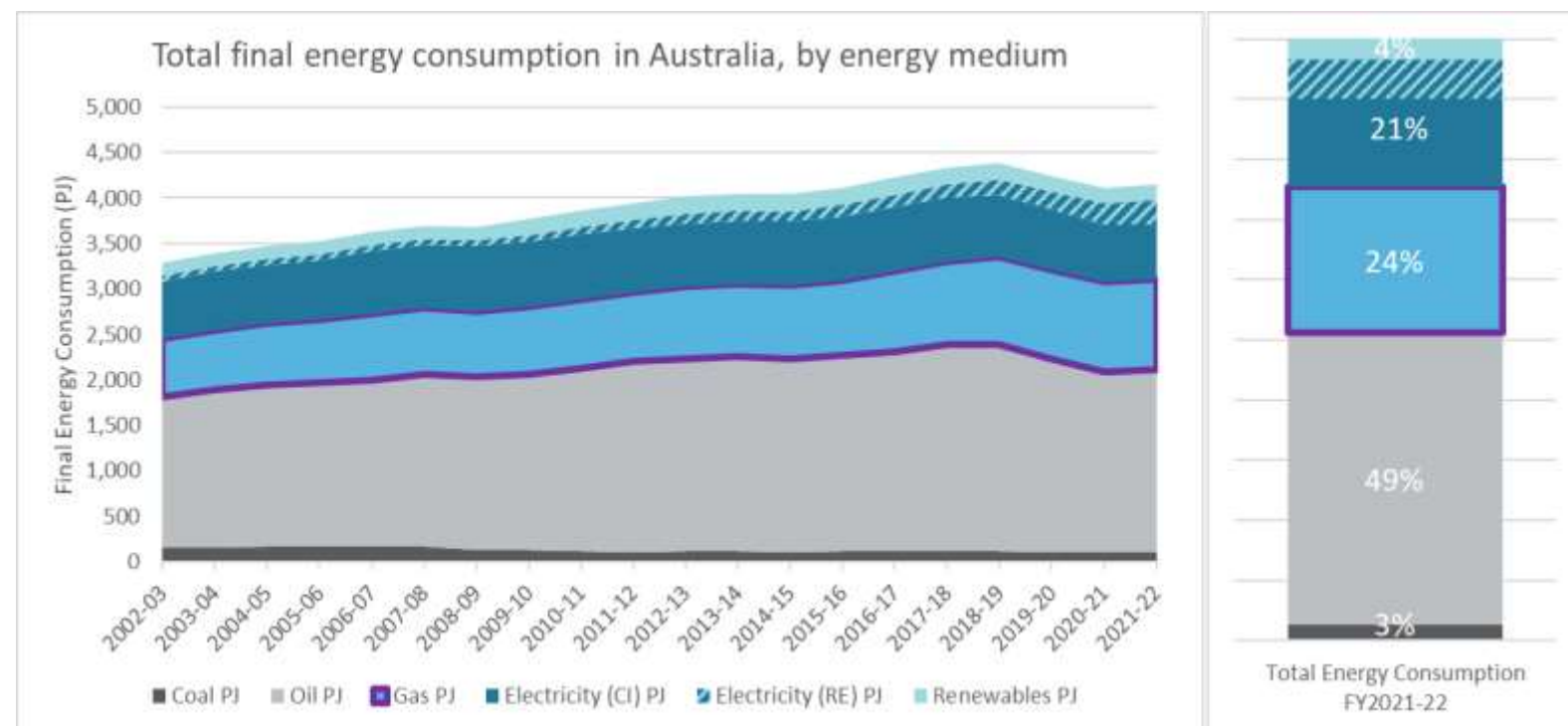
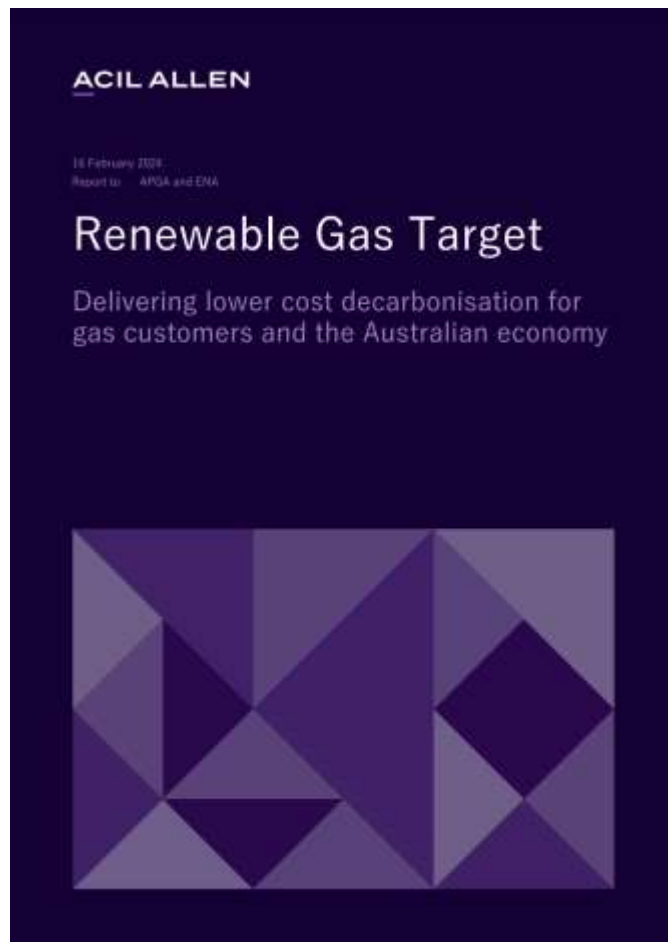
Economic analysis of a Renewable Gas Target

Australia can have a pathway not only to decarbonise electricity...



Economic analysis of a Renewable Gas Target

...but can also have a pathway to decarbonise gas use as well.





Thank You

