



# MEDIA RELEASE

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## NATURAL AND RENEWABLE GAS CRITICAL TO VICTORIA'S ENERGY FUTURE

- Continuing to use gas infrastructure can reduce emissions at much lower cost to customers than electrifying the services provided by gas.
- Natural and renewable gases are crucial in maintaining system reliability during renewable electricity droughts.
- Upgrades of Victoria's gas distribution network will be completed by the mid-2020's to reliably deliver renewable gas to customers.

Leading energy infrastructure companies AusNet Services, Australian Gas Infrastructure Group (AGIG), APA Group, and Jemena have highlighted the importance of gas in achieving the least-cost, fastest, and most efficient transition to a low-carbon future in a set of submissions issued in response to the Victorian Government's *Gas Roadmap* consultation process.

The companies - which together deliver gas to more than 4.15 million customers and transport half the country's natural gas use across Australia - highlight that independent analysis shows energy consumers can save between \$12-\$14 billion per annum from 2050 in ongoing maintenance and capex costs if natural gas is retained in Victoria and Australia's energy system, while the development of renewable gases such as hydrogen and biomethane offers a pathway to fully decarbonise the Victorian energy grid.

"Victorians love natural gas today. Importantly, renewable gas will allow our customers to continue to enjoy the benefits of gas into the future while meeting their sustainability goals and to do so at lower cost than full electrification," said AGIG's CEO, Ben Wilson.

"By getting the foundations right, Victoria can build a thriving hydrogen industry which provides carbon-free gas to residential through to large industrial customers in the state, along with other complementary markets such as transport."

AusNet services Managing Director, Tony Narvaez added: "AusNet is at the forefront of Victoria's energy revolution as we transition our local distribution networks through rooftop solar and our state-wide transmission system to large-scale renewable generation. Transitioning to renewable gas is the next chapter in Victoria's decarbonisation pathway."

Jemena's Managing Director, Frank Tudor, reiterated his company's call for a Renewable Gas Target to be established as a viable means of jump-starting the renewable gas sector.

"The Renewable Energy Target (RET) proved crucial in driving down the cost of renewable electricity generation technologies such as solar and wind power. A Renewable Gas Target will perform the same role in the gas sector and would help to make hydrogen at \$2 per/kg – as outlined in the National Hydrogen Strategy – a reality sooner," said Mr Tudor.

APA's CEO and Managing Director, Rob Wheals said: "As coal is retired, natural gas will continue to play a critical role in ensuring electricity grid stability and helping Victorians keep the heater running and the lights on in winter."

"However, as technology develops, Victoria's existing gas infrastructure will be vital to connecting Victorians to the energy solutions of tomorrow, like hydrogen and biogas – and



APA's pipelines are adjacent to some of the best geographical areas for hydrogen production in Australia.

"With billions of dollars invested in gas infrastructure across the country it makes sense to look at ways to efficiently use our existing energy infrastructure to support Victoria's transition to a low-carbon future."

Collectively AusNet Services, AGIG, APA, and Jemena are already investing over \$130 million in projects designed for the application of renewable gases such as hydrogen and biomethane in residential, industry, and transport settings.

Renewable gas will also ensure the ongoing viability of those industries which cannot be easily electrified – such as manufacturing and steel-making – which currently rely on gas as a crucial feed-stock for their operations.

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