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Report highlights role for gas in meeting future power needs

The critical role of natural gas in ensuring a smooth transition to a low-carbon future is highlighted in the Australian Energy Market Operator's (AEMO) 2016 Electricity Statement of Opportunities (ESOO).

The report warns of potential power shortages in the National Electricity Market (NEM) when coal-fired generation is retired to meet Australia's emissions reduction targets with New South Wales, South Australia and Victoria at risk of breaching reliability standards over the next decade.

According to the report: "The future risk of load shedding is projected to be greatest between 2.00pm and 8.00pm, if high demand coincides with low wind and rooftop PV generation, unplanned generation outages, and/or low levels of imports from neighbouring regions.

"Additional intermittent generation alone may not materially improve the reliability of the system. Network or non-network developments, potentially including generation, storage, and demand side management services, may reduce the risk of load shedding if they can increase available supply or decrease demand at these times."

APPEA Chief Executive Dr Malcolm Roberts said natural gas was the perfect energy source to fill the generation gaps identified by the AEMO.

"Gas should be playing a greater role in Australia's future energy mix because it perfectly complements renewables," Dr Roberts said.

"It's clean, it's abundant and it can easily be switched on and off when intermittent renewables cannot meet demand.

"Reducing emissions is essential but ensuring reliable energy supply is just as important.

"Both are at risk from ongoing moratoriums and unnecessary restrictions on natural gas development.

Dr Roberts said the need to develop more gas should be the top priority of next week's Council of Australian Government Energy Council meeting in Canberra.

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