



9 December 2016

## Finkel Review highlights urgent need for more gas development

Australia's Chief Scientist, Dr Alan Finkel AO has today highlighted the need for urgent policy reform to secure the nation's energy future.

APPEA Chief Executive Dr Malcolm Roberts said the preliminary report of the *Independent Review into the Future Security of the National Electricity Market*, emphasises the urgent need for further gas supply as we move towards a lower carbon future.

The preliminary report notes:

*Gas has the potential to smooth the transition to a lower emissions electricity sector. Gas generation provides the synchronous operation that is key to maintaining technical operability with increased renewable generation until new technologies are available and cost-effective.*

*Furthermore, gas is dispatchable when required.*

and

*The need for greater gas supplies for electricity generation is increasingly urgent.*

The report also notes, however, that gas-fired generation has fallen in recent years, finding:

*A reduction in gas-fired generation capacity has implications for the security and reliability of the power system, due to the loss of its contribution to ancillary services and its ability to be rapidly dispatched to meet increases in demand or shortfalls in supply. These services are especially important at times of peak demand and low or fluctuating renewable generation.*

"Dr Finkel's preliminary report shows just how urgent our national energy security situation has become," Dr Roberts said.

"A mix of policy indecision, restrictive regulations and politically motivated bans and moratoriums, particularly in Victoria, has stymied gas exploration and development and is placing this transition at risk."

Dr Roberts said industry will carefully consider the preliminary report and provide a submission to the Review Panel outlining the policy, regulatory and technical reforms required to ensure gas can fulfill its critical role in energy security.

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