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## Gas industry to work with Government to ensure supply

Australia's upstream gas industry is committed to working with the Federal Government to ensure sufficient gas is available to meet peak demand in the National Electricity Market.

APPEA Chief Executive Dr Malcolm Roberts said the meeting between the Prime Minister and gas producers in Canberra today had been constructive.

"The Australian Energy Market Operator has highlighted that gas-fired generation must stay in the energy mix to protect energy security. APPEA welcomes the Prime Minister's initiative to work with the industry to remove the barriers to more gas supply," Dr Roberts said.

"The gas industry will always work to ensure there is sufficient gas to meet Australia's domestic needs.

"This is despite the fact that some state and territory governments have made this task more difficult than it should be with unnecessary restrictions, moratoriums and blanket bans on new onshore gas projects.

"Australia's will only secure its long term energy future when unnecessary restrictions on natural gas development are removed."

### Summary of Outcomes - East Coast Gas Market Meeting

#### 1) Peak Electricity Demand - Gas Supply Guarantee

- Gas producers guarantee that gas will be available to meet peak demand periods in the National Electricity Market (such as during heat waves).
- Implementation arrangements will be developed with the market bodies and other industry participants - AEMO will be given a power to direct the market.
- This arrangement will be in place in time for next summer.

#### 2) New gas production

- The gas producers have agreed to make more gas available to the domestic market as soon as possible, to keep downward pressure on prices.
- Producers will revise their domestic gas production forecasts, and the Australian Energy Market Operator will produce an updated supply outlook.
- Two of the LNG exporters gave a commitment to being net domestic gas contributors, as part of their social licence. The third has taken the matter on notice.

#### 3) Market transparency

- The ACCC and Dr Mike Vertigan will advise on options to quickly improve transparency in the gas market, to facilitate competition between producers and information for purchasers.
- The scope will include the full supply chain - producers, transporters, retailers.

#### 4) State regulation

- The meeting called on the state and territory governments to revisit restrictions on gas exploration and development.



## 5) Community support

- Industry acknowledged the importance of community support.

## 6) Gas market reform

- Gas market reforms arising from the recent ACCC gas review will be accelerated. These reforms will improve pipeline capacity trading and gas trading markets.
- Further reforms to improve the gas market will be urgently considered.

## 7) Implementation arrangements

- The Government is establishing a Taskforce that will manage implementation of the above outcomes, and report to the Cabinet Energy Committee.
- The Taskforce will include key Departments (PM&C, Energy, Industry, Treasury) and agencies (Geoscience Australia) and energy market bodies (AEMO, ACCC/AER, AEMC).
- The parties agreed to meet again in a month to review progress.
- Ministers Frydenberg, Sinodinos and Canavan will meet with gas pipeliner and customers over the next few weeks

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