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## Gas producers will meet forecast surge in gas demand

Gas producers will guarantee the east coast market will not be short of gas in 2018, despite surprisingly high forecasts for demand released earlier this week.

APPEA Chief Executive Dr Malcolm Roberts said the industry had reassured the Prime Minister at a meeting in Sydney today that sufficient uncontracted gas would be available in 2018 to meet the new, much higher forecast of expected demand released on Monday by the Australian Energy Market Operator (AEMO).

The meeting was attended by representatives from Shell, Santos and APLNG.

“There is no reason to fear that Eastern Australia will run out of gas in 2018,” Dr Roberts said.

“The industry will ensure there will not be a shortfall of gas in the domestic market. The businesses present gave a commitment to the Commonwealth that all uncontracted gas will be offered to the domestic market first.

“We have also committed to improving transparency in the domestic market by reporting regularly to the Australian Competition and Consumer Commission (ACCC) on gas sales, offers to sell and bids declined.

“The industry has already moved to ensure a ready source of gas is available to meet any energy security risks by supporting the Gas Peak Demand Guarantee. This will ensure gas is always available for power generation during peak demand periods in the National Electricity Market.”

Dr Roberts said the industry applauded the Prime Minister’s leadership and commitment to finding a market-based solution that guaranteed gas supply to the domestic market without harming a vital export industry.

“More gas supply and more gas suppliers is the only sustainable way to meet long-term demand and put downward pressure on prices,” he said.

“It is essential that state and territory governments remove their political bans on developing local gas. New South Wales and Victoria, in particular, are heavy gas users but have blocked local projects.”

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