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JOINT MEDIA RELEASE

AEMO outlines vital role for natural gas

The Australian Energy Market Operator's Integrated System Plan (ISP) released today identifies the critical role of gas-fired power generators and highlights the total amount of gas-fired power generation will increase as coal capacity retires from 2030.

"Gas-fired power generation is incredibly important for the National Electricity Market and Australia's future electricity supply," APGA CEO Steve Davies said.

"As we saw during the recent record-breaking summer, gas-fired power generation can be relied on to dispatch electricity when and where it is needed, each and every day."

Mr Davies said on 40-degree days, gas-fired power generation frequently provided more than 70 per cent of South Australia's electricity supply and up to 25 per cent of total supply in the NEM.

"The ISP makes clear that greater renewable penetration will increase the need for availability of a portfolio of flexible generating technologies," Mr Davies said. "As we see already in South Australia, with Australia's highest level of renewables, gas is an outstanding partner to manage sudden changes in the supply and demand balance or weather variability."

APPEA Chief Executive Andrew McConville said: "AEMO reaffirms that existing gas-fired power generators will continue to play an important and reliable role in the NEM. This also reinforces the ongoing role of gas in our power generation mix.

"AEMO also highlighted the importance of ongoing investment in new natural gas supplies, finding a need for continued investment of between 120 PJ and 285 PJ every year between 2024-25 and 2036-37.

"This confirms gas-fired power generation will have an even more substantial role once coal generators are retired post 2030. Gas will continue to play a critical role in ensuring a secure electricity supply when variable renewable generation is unavailable."

Mr McConville said AEMO's energy roadmap also confirmed the only way to put downward pressure on gas prices is more supply, especially in southern states.

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APPEA is the peak national body representing Australia's upstream oil and gas exploration and production industry. Learn more www.appea.com.au

About APGA

APGA represents everyone involved in the nation's pipeline infrastructure. Many of our members have a focus on gas transmission. Learn more www.apga.org.au