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Natural gas and new technology part of the solution to Climate Change

As the world responds to the call to action that is provided by the new IPCC report*, the voice of the oil and gas industry said new technology and natural gas are part of the solution to reducing emissions.

APPEA Deputy Chief Executive Damian Dwyer said global action, including in Australia, is needed to reduce emissions and that includes the major emission-intensive economies of China and India.

"Natural gas has only half the greenhouse gas emissions of coal when used to generate electricity. By replacing higher-emitting fuels with cleaner natural gas we can substantially reduce emissions," Mr Dwyer said.

"Natural gas has a critical role to play in reducing emissions in our energy system. It is the perfect partner to renewable energy. When the sun doesn't shine or the wind doesn't blow, we can rely on natural gas to provide stable power for our homes and businesses.

"The Australian Government estimates that our exports of LNG have the potential to lower emissions in LNG importing countries by around 170 Mt CO2-e by providing an alternative to higher emissions fuels — the equivalent of almost one-third of Australia's total annual emissions.

"The Australian oil and gas industry has a key role to play in a cleaner energy future, both in Australia and globally.

"The industry is also leading development of climate change technologies like carbon capture and storage (CCS) and hydrogen.

"CCS projects are already removing around 40 million tonnes of CO2-e every year."

Mr Dwyer said APPEA supports the science of climate change, reinforced by the new IPCC report, and the need to reduce global emissions consistent with the objectives of the Paris Agreement and reaching net zero emissions by 2050.

"For example, our submission to the Department of Industry, Science, Energy and Resource's consultation on a hydrogen certification scheme, outlines a key-way to fast track a scalable hydrogen industry," he said.

"A hydrogen guarantee of origin (hydrogen GO) scheme is an important step towards a cleaner energy future for Australia and world.

"Hydrogen is an immense opportunity for Australia to fast-track its transition to a lower carbon economy. Natural gas is the pathway to developing a home-grown hydrogen industry.

"Developing a home-grown hydrogen industry also means a bright future for natural gas and the hundreds of thousands of jobs across Australia that depend on our industry.

"Just as government investment in renewables has fast tracked projects, investment in hydrogen will do the same and create thousands of jobs in the process.

"This week's EnergyQuest report pointedly stated that the *'greatest near-term potential for decarbonisation lies in blue hydrogen (hydrogen produced from natural gas with carbon capture and storage), rather than the much more expensive green hydrogen.'*

"APPEA's members are already at the forefront of hydrogen, working in Australia and around the world to accelerate its development.

"Australia's LNG export success means the Australian upstream oil and gas industry has the technology, expertise, commercial and trade relationships to make hydrogen exports a reality.

"The development of a hydrogen GO scheme is an important next step in making hydrogen an export growth story for Australia."

"CCS and hydrogen development are just two examples of the work our industry is doing to reduce emissions. A range of case studies of how the industry is taking practical action to support emissions reductions across the supply chain and leading research into innovative emissions reduction activities is highlighted in APPEA's *Industry Action on Emissions Reduction* report.

"This includes the reduction of methane emissions from across the natural gas value chain, which has been a priority for the natural gas industry for decades.

"Minimising the loss of the product that the industry sells makes good commercial sense, ensures safety, and delivers on vital environmental objectives. Active scientific research in this area is improving the understanding of methane sources, and emerging technologies are enabling better detection, measurement and reduction of emissions."

* The Intergovernmental Panel on Climate Change (IPCC) *Summary for Policymakers* of the Working Group I contribution to the Sixth Assessment Report, *Climate Change 2021: The Physical Science Basis*.

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