

**19 July 2022**

## **APPEA STATEMENT ON REGULATOR USING GAS SUPPLY GUARANTEE**

**Australian Petroleum Production & Exploration Association (APPEA) Acting Chief Executive Damian Dwyer said:**

The Gas Supply Guarantee (GSG) is a mechanism developed by the gas industry to ensure gas is available to meet peak demand periods in the National Electricity Market.

The Australian Energy Market Operator's (AEMO) decision to activate the GSG is one of several measures available that have been designed to respond to situations like this in a coordinated manner.

The industry has come together and is working to get the gas to where it needs to go, as it has done during the energy system pressures we have seen in recent months.

As we have noted before, the causes of the pressures are coal outages, relatively low levels of renewable power generation due to the weather, a colder winter increasing power demand on the east coast and global market pressures arising from the Russian invasion of Ukraine. This has all caused a huge increase in demand for gas.

The GSG is a short-term measure. The real and enduring answer is more investment to bring more supply into the market.

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