

23 March 2017

MEDIA RELEASE

Key support for *Gas Vision 2050* by nation's leading gas distribution company

Australia's leading gas distribution company said a major industry report unveiled today in Canberra was one of the most important documents released for the sector in recent times.

Australian Gas Networks (AGN) – which owns about 23,500 kilometres of natural gas distribution networks and 1100 kilometres of transmission pipelines and has over 1.2 million consumers in South Australia, Victoria, Queensland, New South Wales and the Northern Territory - said *Gas Vision 2050* outlined the essential role gas plays in society, not only today, but in the future.

The milestone *Gas Vision 2050* is a comprehensive collaboration between key industry organisations - Energy Networks Australia, the Australian Petroleum & Exploration Association (APPEA), Australian Pipeline and Gas Association (APGA), Gas Energy Australia (GEA) and the Gas Appliance Manufacturers Association of Australia (GAMAA).

It describes an aspirational and attainable future for gas across Australia's economy, highlighting how gas and renewables can support each other to achieve a near zero carbon energy sector by 2050 across homes, cities, industry and power generation.

Key outcomes from the *Vision* include that:

- gas delivers 44% of Australia's household energy but only 13% of household greenhouse gas emissions.
- half of gas used in Australia is for mining and manufacturing, contributing \$196 billion to the economy and employing 949,000 Australians.
- a vision for Australia to turn its gas resources into products and services that will enhance national prosperity while achieving carbon neutrality.
- gaseous fuels have a pivotal role to play in Australia's low carbon future to 2050 and beyond.
- gas and renewables can support each other to achieve a near zero carbon energy sector by 2050, including a decarbonisation pathway for gas beyond 2050.
- over the long-term, gas will have its own decarbonisation journey. New fuels - such as biogas and hydrogen - have the potential to become mainstream and complementary energy solutions that will use existing energy infrastructure.

"We believe *Gas Vision 2050* is an exciting first step in the nation's gas journey, and as such, is one of the most important documents to be released for the sector in recent times," Australian Gas Networks Chief Operating Officer, Mr Andrew Staniford, said today.

"Gas is an indispensable fuel in Australia today, both directly and for power generation. It is crucial to our economy and modern lifestyles, and it also has a key role to play in ensuring Australian families and businesses have access to affordable, secure, reliable and clean energy now and in the future," he said.

"As such, there is an enormous amount of investment and residual value in Australia's gas infrastructure. Therefore, gas must step up and play its part in meeting Australia's emissions reductions promises at COP21 in Paris last year, and doubtless further targets in the future.

"The good news is that gas today is very low emissions compared to mains electricity. However, as electricity decarbonises over the decades, gas may one day face the challenge that it is no longer the low carbon choice.

"*Gas Vision 2050* outlines a decarbonisation pathway for gas just as there is for electricity.

"The key technologies that will enable this are bio-gas produced from organic waste, and hydrogen – produced from methane with carbon capture and storage or from electrolysis with off-peak renewable power.

"Biogas and hydrogen are net zero carbon and a gas network filled with these will be zero emissions.

"Hydrogen in particular fits beautifully with renewables: hydrogen production provides an off-peak revenue stream for wind and solar, enabling greater amounts of renewables onto the system, and using the gas network as a giant battery – 6 billion Powerwalls, the equivalent of 250 for every Australian and already built and paid for!"

Mr Staniford said the 25-page report highlights the bright future for gas networks in Australia.

He said it provides a clear pathway of how the gas sector can work collaboratively with the electricity sector to provide Australian homes and businesses with reliable base load energy, while supporting energy security and ensuring Australia can reach the carbon abatement targets set by the Commonwealth Government.

Mr Staniford described *Gas Vision 2050* as the "start of the journey".

"Over the next year the industry will conduct studies to provide a technical and economic roadmap to gas's decarbonisation pathway," Mr Staniford said.

"Over the next few years, we expect many innovation projects demonstrating key aspects of hydrogen and biogas technologies," he said.

"Over the next decade or so, we expect increasing volumes of green biogas and hydrogen to be blended into the gas networks, reducing our emissions still further.

"And then towards 2050 whole sections of the network are likely to convert to zero carbon renewable gas.

"In the second half of this century, the industry's *Vision* is for a very low to zero carbon gas network, supporting a very low to zero carbon electricity network, and still delivering all the benefits that gas delivers today: reliability, storage, convenience, and support for jobs and the economy.

"At AGN, we are committed to evolving our business to ensure we continue to be a leader in this journey.

"The release of *Gas Vision 2050* is a milestone for the industry at large, and AGN will continue to work with customers, industry and governments to make the *Vision* a reality."

About Australian Gas Networks (AGN)

AGN is Australia's largest distribution company serving over 1.2 million consumers in South Australia, Victoria, Queensland, New South Wales and the Northern Territory.

It owns approximately 23,500 kilometres of natural gas distribution networks and 1100 kilometres of transmission pipelines.

AGN operates natural gas networks in South Australia (mostly Adelaide), Victoria (mostly Melbourne) and Queensland (mostly Brisbane), as well as in smaller centres in New South Wales (Albury & Wagga Wagga) and the Northern Territory (Alice Springs).

Each year, it invests around \$250 million in our networks to reach new areas, improve supply and replace old gas mains.

For further information contact

Andrew Staniford, Chief Operating Officer, Australian Gas Networks

T (08) 8418 1111

Sean Whittington, Field PR

(08) 8234 9555

(0412) 591 520