

Gas and renewables together: NSW backs gas peakers for a reliable grid

The Australian Pipelines and Gas Association (APGA) welcomes the NSW Government's decision to back gas peaking plants through the NSW Electricity Infrastructure Roadmap, building on the NSW Gas Statement, which confirmed the role of gas in the state's economy, its industry and its electricity generation mix.

The next Roadmap auction in 2027 is likely to support two to four new gas peaking plants, keeping the grid reliable through periods of low wind and solar as the Eraring, Vales Point and Bayswater coal-fired power stations are set to close by 2033.

APGA chief executive Steve Davies said the decision recognised that gas and renewables work best together.

"Renewables and gas are complementary technologies. Wind and solar provide low-cost energy, while gas delivers flexibility and reliability. Each makes the other stronger," Mr Davies said.

"By planning years ahead for the role of gas peakers, NSW is demonstrating critical long-term thinking and giving investors the confidence to build the gas power generation needed to support renewables in the system through every season."

The Gas Statement acknowledges that NSW relies on gas and that the east coast faces potential supply shortfalls in the years ahead. Gas demand from NSW power stations is forecast to more than double by 2034.

"Securing gas and delivering gas are not the same thing. Peaking plants are only as reliable as the gas that reaches them, and they will be called on during the coldest, stillest weeks of the year, exactly when the pipeline and storage network is already under the most pressure," Mr Davies said.

"Supply, gas infrastructure and generation all have to come together, and that takes policy settings that make investment easier, not harder. NSW is showing what that looks like, and it follows similar positive reforms supporting gas and GPG from Queensland, Western Australia, South Australia and the NT over the last year."

APGA also supports the Statement's focus on future investment in renewable gas. The NSW Government estimates renewable fuels could meet around 15 per cent of industrial gas demand by 2035, and the existing pipeline network gives NSW industry a practical path to lower emissions using renewable gas.

APGA looks forward to working with the NSW Government on implementing the Gas Statement.

About

The Australian Pipelines and Gas Association (APGA) represents the owners, operators, designers, constructors, and service providers of Australia's pipeline infrastructure, connecting natural and renewable gas production to demand centres in cities and other locations across Australia.

Contact

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