MEDIA RELEASE
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Australian gas to help data centres carry their own load

The Australian Pipelines and Gas Association (APGA) welcomes the National Cabinet decision allowing Queensland and the Northern Territory to use gas alongside renewables to power new data centres, helping ease pressure on Australia's energy system and on prices for households and small businesses.

Data centres are an increasingly important part of Australia's economic infrastructure. They support the digital economy, attract long-term investment into regions, and bring jobs and skills for Australians with them.

This week’s Electricity Statement of Opportunities forecasts data centre consumption to grow seven-fold over the next decade, from about 3% of demand in the National Electricity Market to 13%. However, data centres run flat, at a load factor close to 90%. They are not flexible demand that can be shifted to when the sun is out.

Gas generation plays an important role during extended periods of low wind and solar output, AEMO says, and new GPG will depend on shared pipelines and supply investment that no one can deliver alone.

APGA chief executive Steve Davies says new data centres should be building their own generation and underwriting their own gas and firmed renewable supply to ensure households don’t wear additional costs.

"A data centre that brings its own generation isn't competing with households for supply," Mr Davies said.

"When generation is built behind the meter, the load never reaches the shared electricity network, so the cost of serving it doesn't flow through to everyone’s bill. That is increasingly the model for large new loads.”

"However, gas supply still has to get to where the demand is. That makes it a deliverability question as much as a supply one, and it must be a priority for the Gas Market Review to address.”

"Energy is only part of the picture. These decisions sit alongside water and land use, and community consent is earned and maintained by balancing what this vital infrastructure needs against what communities want."

With demand growth of significant scale ahead across the National Electricity Market, APGA encourages all governments to consider the same approach.

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. Our members offer a wide range of services to gas users, retailers and producers and ensure the safe and reliable delivery of 28 per cent of the end-use energy consumed in Australia.

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