

## **ISP confirms more GPG needed but scale of the delivery challenge cannot be underestimated**

The Australian Pipelines and Gas Association (APGA) welcomes the release of AEMO's 2026 Integrated System Plan (ISP), which confirms a much larger fleet of flexible gas generation, and the gas infrastructure that underpins it, is essential to delivering a reliable and affordable energy transition for all Australian consumers.

The ISP's optimal path calls for 17 gigawatts of flexible gas-powered generation by 2050, a significant uplift from 14.8 GW in the 2024 ISP. As coal retires, AEMO's modelling points to a larger, not smaller, role for gas in firming a renewables-based system through long periods of low wind and solar, and in meeting peak demand.

Importantly, the 2026 ISP goes further in recognising that new gas supply infrastructure is needed to make the system work. For the first time, the plan warns that without urgent action to develop essential gas infrastructure, "gas supply gaps may be large enough to risk delivery" of the entire optimal development path.

APGA welcomes this recognition, but the task now is delivery, and it should not be underestimated.

APGA chief executive Steve Davies said the 2026 ISP had settled any remaining doubt about the role of gas, but the harder question, how the infrastructure gets delivered, remains unanswered.

"This plan confirms what the engineering of the power system has been telling us for years: as coal leaves, the need for flexible gas grows, not shrinks. AEMO has put new investment in gas infrastructure at the centre of a reliable transition, and that is a welcome dose of realism," Mr Davies said.

"But identifying the need is the easy part. Much of this investment is firming that runs only a fraction of the year, making it hard to finance — it won't simply appear. The surest way to put it at risk is policy uncertainty that weakens the case to invest," Mr Davies said.

With the Gas Market Review underway, APGA urges that its outcomes support investment, not deter it.

The right regulatory settings, including modest reform of the AER's Form of Regulation reviews, would strengthen the case to invest in the infrastructure the system urgently needs.

### **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.

### **Contact**

For further information or the opportunity to engage with Mr Steve Davies please contact:

Paul Purcell

**Mountain Ash Advisory**

paul@mountainashadvisory.com.au

0422 247 750