



MEDIA RELEASE

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APGA applauds expansion of the NSW Renewable Fuels Scheme to biomethane

The Australian Pipelines and Gas Association (APGA) welcomes today's release of the New South Wales Government's Renewable Fuels Strategy. This Strategy sets the stage for rapid expansion of the state's renewable fuels industries, and importantly will now include strategic support for biomethane.

Renewable gases are essential for NSW's pathway to net zero, and a strong biomethane industry also offers opportunities for regional economic development.

From 2028, the Renewable Fuels Scheme will include biomethane. Under the Scheme, renewable gas producers can create a certificate for every gigajoule (GJ) of renewable fuel, which liable parties must purchase to meet the Scheme's production target – or pay a penalty rate of \$10.50 per GJ.

The Scheme sets a new biomethane and green hydrogen target of 8 PJ by 2028, with an additional 1 PJ from 2027 for green hydrogen projects already progressing under the current Scheme.

APGA chief executive Steve Davies praised the changes to the Scheme as a strong signal to renewable gas producers that the NSW Government is ready and willing to invest.

"The Renewable Fuels Scheme was the first renewable gas target in the country when it began in 2021. Expanding it to biomethane is the logical next step and we NSW Government is to be congratulated for its work," Mr Davies said.

"Developing a renewable gas industry is essential to achieve net zero. Targets like this will help bridge the cost gap and develop the market just like the Renewable Energy Target did for renewable electricity."

The Strategy also includes a \$40 million biomethane-specific funding stream under the existing Industrial Decarbonisation Grant, and a broader \$130 million Net Zero Manufacturing Initiative to support commercial-scale production of renewable fuels from emerging technologies.

Together with the certificate-based target under the Scheme, APGA expects the biomethane industry in NSW to quickly gather momentum. In Denmark, a certificate framework has helped biomethane grow to nearly 40% of the country's gas supply in 2025.

"By putting the right incentives in place, Australia can grow its renewable gas sector quickly – supporting local jobs, regional investment, and the clean energy transition," Mr Davies said.

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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