

MEDIA RELEASE

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Nelson Review confirms gas is central to a reliable, affordable energy transition

The Australian Pipelines and Gas Association (APGA) welcomes the final National Electricity Market wholesale market settings review, which confirms gas-powered generation is essential to delivering firming, shaping and reliability services as coal retires and the electricity system becomes increasingly dependent on the weather.

While renewables will supply most electricity in a typical year, the system increasingly depends on dispatchable generation, including gas-powered generation, to manage extended low wind and solar periods, stabilise prices during system stress and provide on-demand reserves when supply is tight.

It also confirms that future market design must be alert to delivery risk and cannot rely on best-case assumptions about the timing or cost of large-scale projects.

APGA chief executive Steve Davies congratulated the NEM Review team on a clear, practical assessment of what is required to maintain reliability as the electricity system continues to decarbonise.

"The Nelson Review confirms GPG is critical to maintaining reliability through the transition," Mr Davies said. "Market settings now need to support timely investment in the firming the system increasingly relies on."

The review recognises that while some technologies are being progressed through explicit, technology-specific policy support, gas-powered generation is expected to deliver reliability outcomes through the market. At the same time, it makes clear that targeted reform is required to ensure firm, dispatchable capacity can reach commercial investment decisions in time as coal-fired generation retires.

APGA looks forward to working with governments, market bodies and industry to ensure the transition remains orderly, affordable and grounded in practical system 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

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