

3 November 2022



NSW Environment Protection Authority  
6 Parramatta Square  
10 Darcy Street  
Parramatta NSW 2150

## **GEA RESPONSE TO THE DRAFT CLIMATE CHANGE POLICY AND DRAFT ACTION PLAN 2022-2025**

Dear NSW Environment Protection Authority,

Gas Energy Australia (GEA) welcomes the opportunity to respond to the draft Climate Change Policy and draft Action Plan 2022-2025.

By way of background, GEA is the national peak body representing the downstream gas fuels industry, encompassing Liquefied Petroleum Gas (LPG), Liquefied Natural Gas (LNG), Compressed Natural Gas (CNG), Hydrogen (H<sub>2</sub>) and, increasingly, a raft of new renewable gases. The industry comprises major companies, medium and small businesses across the gas fuels supply chain including refiners, fuel marketers, equipment manufacturers, gas transporters, consultants and service providers.

GEA is supportive of the NSW Environment Protection Authority's (EPA) draft Climate Change Policy and draft Action Plan (Policy and Action Plan) and the objectives outlined in the consultation paper. Our members are committed to contributing to NSW and national efforts to combat climate change by reducing carbon emissions and transitioning to a net zero economy by 2050. The use of renewable, net zero gases will play a major role in this transition for the downstream gas industry.

In developing the Policy and Action Plan, GEA urges the NSW Government to consider energy affordability, safety, security and reliability for all users into the future, as well as carbon emissions reductions. In addition, the Policy and Action Plan needs to take into account the pathway the gas industry is currently on to decarbonised, including renewable, gases.

Australian gas fuels, which utilise existing technology and abundant natural supplies, are often overlooked in decarbonisation policies despite being a reliable and cost effective source of energy for end use applications, heavy transport and off-grid power generation.

Pleasingly, this is changing with AEMO calling on the Federal Government to change the rule to recognise emerging green gases, and federal and state Energy Ministers agreeing to amendments to bring hydrogen, biomethane, and other renewable gases under the national gas regulatory framework.

As alternative energy sources, LPG, LNG and CNG are playing an important role in shaping future energy policy and lowering Australia's carbon footprint. Gas fuels are a significant contributor to the national economy – generating over \$70 billion in economic activity (3.4% of GDP) and supporting over 241,600 local jobs.

In doing so, providing reliable and affordable access to an easily transported and safe low carbon energy source for Australians everywhere. In NSW, gas contributes over \$4 billion to the state economy and supports around 20,000 jobs.

Portable gases are used for a wide variety of purposes, including in homes (typically for rural and regional communities), businesses, agriculture and industry – both for heat and as a feedstock. They provide reliable and affordable energy for many users and their continued use helps to maintain Australia's fuel diversity.

They are also used for many off grid applications including power generation. Much of the electricity for these rural and remote applications comes from generators running on imported diesel as a back-up to intermittent renewable sources. Off-grid generators and industrial users can all use LPG, LNG and CNG and in the future renewable and net zero gases. Emerging green gases are able to provide reliable power generation which backs up other renewable energy sources.

When considering the pathway to reach and meet climate and net zero emissions targets as part of the NSW Climate Policy, it is important to also consider the impact on regional and remote areas, which are heavily reliant on Single Wire Earth Return (SWER) lines for electricity. In addition to the general issue of the increasing electrification of stationary energy and transport placing extra load on an electricity network already under pressure from increasing reliance on intermittent renewable energy, there are specific issues in regional areas.

It is clear that the use of lower emitting portable gases now and into the future while making use of renewable and net zero gases, is the most efficient way to transition to net zero while maintaining reliability, affordability and minimising impacts for regional and rural areas. These new emerging gases include;

- BioLPG produced as a by-product of renewable diesel or sustainable aviation fuel (SAF) through the hydrotreated vegetable oil (HVO) process.
- BioLPG produced as by-product of renewable diesel or SAF through gasification with the Fischer-Tropsch process.
- DME produced from biomass, blended with conventional LPG or bioLPG.
- Renewable DME, blended with conventional LPG or bioLPG.
- LPG produced from renewable energy through a Power-to-X process.

The NSW Climate and Action Policy should adopt a technology neutral approach that recognises there are multiple pathways to decarbonising the economy (eg, not just electrification) and the gas industry (eg, not just hydrogen). As the downstream gas industry transitions to net zero emissions, governments and climate policies should embrace all forms of renewable energy, seek to reap the benefits of the utilisation of these gas fuels and not choose particular technologies to reach net zero.

If you have any questions regarding this submission, please do not hesitate to contact GEA's Manager – Policy & Research Melissa Dimovski at [mdimovski@gasenergyaus.au](mailto:mdimovski@gasenergyaus.au).

For your consideration

A handwritten signature in black ink, reading "Brett Heffernan". The signature is fluid and cursive, with the first name "Brett" and the last name "Heffernan" clearly distinguishable.

Kind regards,

**Brett Heffernan**

Chief Executive Officer

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