

12 August 2019

Ms Michelle Crocker
National Energy Productivity Plan Secretariat
Department of the Environment and Energy
John Gorton Building
King Edward Terrace
Parkes ACT 2600

By email: NEPPSecretariat@environment.gov.au

GAS ENERGY AUSTRALIA'S RESPONSE TO THE TRAJECTORY FOR LOW ENERGY EXISTING COMMERCIAL BUILDINGS

Dear Ms Crocker

Gas Energy Australia (GEA) welcomes the opportunity to provide comments in response to the stakeholder consultation on energy efficiency measures for existing commercial buildings – the *Trajectory for low energy existing commercial buildings*.

GEA is the national peak body, which represents the bulk of the downstream alternative gas fuels industry, which covers Liquefied Petroleum Gas (LPG), Liquefied Natural Gas (LNG) and Compressed Natural Gas (CNG). The industry comprises major companies and small to medium businesses in the gas fuels supply chain including producers, refiners, distributors, transporters, retailers, vehicle manufacturers, equipment manufacturers and suppliers, installers, educators and consultants.

The members and associates of GEA support efforts to improve the energy efficiency of commercial buildings and reduce greenhouse gas (GHG) emissions. GEA considers there to be significant opportunities to reduce emissions through the continued use of low emission and renewable gas fuels in commercial buildings and improving consumer access to low emission distributed energy for small business through government support programs, particularly for regional and rural areas.

Gas fuels are currently able to provide cost effective emissions reduction, and into the future renewable gas fuels such as biogas (biomethane and biopropane) and hydrogen will continue to utilise existing infrastructure while reducing emissions even further. For businesses, LPG and natural gas fuels can currently be used in many applications to provide a cleaner and affordable source of energy for hot water heating, lighting generators, back-up generators, cooking, patio heaters and grills, laundry appliances, air-conditioning, factory machinery commercial drying and pharmaceutical production.

Many of these applications do not have electric alternatives and the trajectory work must consider the system impacts of greater electrification and investment in new electricity infrastructure, versus decarbonising the gas supply and maintaining existing gas infrastructure.

GEA is supportive of technology / fuel neutral energy policies that do not impose costs on businesses that exceed the benefits. GEA considers it critical that the trajectory remains fuel agnostic as to allow more choice for consumers and encourages the take up of a suite of available technologies which are economical for their specific building type, region and design. GEA supports technology neutral energy policies and therefore supports the scope of the trajectory for existing commercial buildings reflecting this principle.

As demonstrated in the slide pack for existing commercial buildings, prepared by consultants Ernst & Young, gas will continue to make up a significant portion of energy consumption out to 2050. Within industry, gas is an essential feedstock for many manufacturing processes. Gas is also a preferred energy source as it provides high quality and clean heat to industrial processes while the opportunities for replacing gas in industry with renewables are quite limited as solar energy cannot provide the same quality of heat. In pursuing these opportunities for the development of a domestic renewable gas industry, Australia can ensure its established gas networks and infrastructure are able to be utilised to contribute to emissions reduction in existing commercial buildings.

As such, the decarbonisation of gas fuels has an essential role to play in reducing emissions in existing commercial buildings, and the decarbonisation journey of gas must be considered as part of the scope for the trajectory. GEA welcomes and supports the introduction of policy measures that support the renewable gas opportunities in Australia.

I have also attached a copy of **Gas Vision 2050** – this report reflects the ambitions of key organisations which represent Australia's gas sector and demonstrates the pivotal role gas fuels will play in Australia's low carbon future to 2050 and beyond.

Should you have any questions relating to this submission please do not hesitate to contact Melissa Dimovski at mdimovski@gasenergyaustralia.asn.au.

For your consideration.

Yours sincerely

A handwritten signature in black ink, appearing to read "John Griffiths", with a horizontal line drawn through it.

John Griffiths
Chief Executive Officer
Gas Energy Australia