

14 October 2019

Ms Vanessa Morris
National Energy Productivity Plan (NEPP) Secretariat
Department of the Environment and Energy
John Gorton Building
King Edward Terrace
Canberra ACT 2601

**GEA RESPONSE TO THE DRAFT REPORT – TRAJECTORY FOR LOW ENERGY BUILDINGS:
COORDINATED POLICY OPTIONS FOR EXISTING COMMERCIAL BUILDINGS**

Dear Ms Morris

Gas Energy Australia (GEA) welcomes the opportunity to provide comments in response to the consultation questions in the report for energy efficiency measures for existing commercial buildings – the draft *Trajectory for Low Energy Buildings: Coordinated Policy Options for Existing Commercial Buildings*.

GEA is the national peak body, which represents the bulk of the downstream alternative gaseous 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 gaseous fuels supply chain including producers, refiners, distributors, transporters, retailers, vehicle manufacturers, equipment manufacturers and suppliers, installers, educators and consultants.

GEA welcomes continued engagement with the NEPP Secretariat on the Trajectory to develop a pathway to reach net zero emissions for existing commercial buildings. GEA considers that remaining technology and fuel neutral when developing this pathway to be critical to ensuring cost effective emissions reductions and consumer choice. The draft Report references electrification and in particular “switching from gas to electricity for heating”, GEA considers that pursuing an end goal of electrification would be counterproductive to the goals of the Trajectory.

As demonstrated in the draft Trajectory Report for existing commercial buildings, prepared by consultants EY, 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

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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 this role must be considered as part of the scope of the Trajectory. GEA welcomes the introduction of policy measures that support renewable gas use in commercial buildings in Australia.

Many uses of gas for commercial 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 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

GEA also considers it critical to remain technology and fuel neutral when encouraging energy efficiency improvements to existing commercial buildings through state-based performance schemes. When utilising existing energy efficiency mechanisms, the decarbonisation journey of gas and the decarbonisation of the gas grid must be considered. Within the draft Report, there are a number of references to "shifting away from gas". This discounts current and new forms of zero emission renewable gases that will become more widely available in the future. Gas Vision 2050 outlines this journey, which reflects the ambitions of the 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.

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

John Griffiths
Chief Executive Officer
Gas Energy Australia