

14 October 2019

Ms Jodie Pipkorn  
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 EXISTING HOMES**

Dear Ms Morris

Gas Energy Australia (GEA) welcomes the opportunity to provide comments in response to the report for energy efficiency measures for existing residential buildings – the Trajectory for low energy existing homes draft Report (Report).

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. GEA is encouraged by continued reference in the draft Report to remain technology neutral in developing this pathway for existing residential buildings.

The members and associates of GEA support efforts to improve the energy efficiency of residential buildings and reduce greenhouse gas (GHG) emissions that are technology neutral and do not impose costs on households that exceed the benefits. GEA supports technology neutral energy policies and therefore supports the scope of the Trajectory for existing homes reflecting this principle.

GEA supports the objectives outlined in the draft Report to improve the energy efficiency of existing homes. GEA considers it critical that the development of mechanisms or utilisation of existing state based mechanisms to meet these objectives does not target greater electrification of new buildings and appliances, or pursue one fuel or technology over another, as an end goal, as was evident in some of the early work of the Trajectory for new buildings.

For example, the utilisation of Energy Efficiency Obligation (EEO) schemes and the potential to harmonise State and Territory schemes to drive increased energy efficiency improvements for existing buildings was noted as a possible existing mechanism. In the draft report it states, "The role of EEO schemes could be explored in driving fuel switching". GEA considers that the Trajectory should remain technology and fuel neutral when considering how these schemes could be utilised or enhanced to achieve particular outcomes. As one of the objectives of the Trajectory is to seek cost effective energy efficiency improvements to reach net zero emissions by 2050, seeking to pursue

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particular fuels or technologies would most likely impose higher costs on households. The results of a number of studies demonstrate that electrification of energy supply, which would require massive investment in new electricity infrastructure, would be a much more expensive option than decarbonising gas supply and maintaining existing gas infrastructure.

In many climate zones, gas appliances and appliance upgrades provide the most cost-effective energy savings. As stated, "The results vary by climate, energy price and if solar is present or not. For example, for eastern Sydney - climate zone 5 in NSW, the most cost-effective hot water type is instantaneous gas when looking at the upfront cost and the energy bill savings." A technology neutral approach would facilitate the take up of the most cost-effective low energy technology for specific types of residential buildings in specific regions eg, buildings that receive minimal sunlight for solar photo voltaic (PV) capture. These other forms of low emission technologies, including new renewable technologies, offer consumers a suite of opportunities to meet low energy building objectives. GEA considers that mandating or prescribing fixed appliance choices would be counterproductive to achieving the objectives of the Trajectory.

GEA understands that on-site requirements for particular renewable technologies (eg, batteries and solar/renewables) are in scope. But it is unclear why other low emission technologies (eg, natural gas or LPG) and renewable gas are out of scope. Indeed, many of these other forms of low emission technology can be fitted to today's homes, utilising existing infrastructure to achieve cost effective emissions reduction. Gas Vision 2050, which reflects the ambitions of the key organisations which represent Australia's gas sector, demonstrates the pivotal role zero emission renewable gases will play in Australia's low carbon future to 2050 and beyond.

Overall, GEA considers that ensuring there is consideration of the decarbonisation journey of gas when developing a Trajectory to reach net zero emissions by 2050 to be critical to ensure consumers can utilise the most cost effective and efficient combination of appliances. Innovations such as biogas and hydrogen create the potential for clean, dispatchable energy resulting in zero emissions while using existing infrastructure. These opportunities would not be realised if homeowners are encouraged or forced to remove existing gas infrastructure and make their homes all-electric.

Should you have any questions relating to this submission please do not hesitate to contact Melissa Dimovski at [mdimovski@gasenergyaustralia.asn.au](mailto:mdimovski@gasenergyaustralia.asn.au).

For your consideration.

A handwritten signature in black ink, appearing to read "John Griffiths".

John Griffiths  
Chief Executive Officer  
Gas Energy Australia