



9 July 2018

Ms Michelle Crocker
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Department of the Environment and Energy
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By email: NEPPSecretariat@environment.gov.au

TRAJECTORY FOR LOW ENERGY HOMES DISCUSSION PAPER SUBMISSION

Dear Ms Crocker

Gas Energy Australia (GEA) welcomes the opportunity to provide comments on the *Department of the Environment and Energy, Discussion Paper: Trajectory for Low Energy Homes, June 2018*.

By way of background, 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.

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. This would represent a considerable advance on the many federal, state and territory government policies and programs implemented over recent years focussed solely on renewable energy. These policies and programs have often excluded the lower cost abatement that could be achieved through switching to gaseous fuels to the disadvantage of energy consumers and taxpayers. GEA would be concerned if the same approach was replicated in the National Construction Code (NCC).

That said, other industry representatives who attended the workshop convened by your Department on 18 June 2018 in Canberra and have had longer involvement in the National Energy Productivity Plan (NEPP) processes than GEA, considered the language used by the Department at the workshop to be more even handed than the previous workshop in late March and that issues highlighted in subsequent submissions have been considered and reflected in the current discussion.

GEA's responses to selected Stage 3 Questions are outlined below.

Question 1: Which performance metric/s do you think would be most appropriate for the NCC? Are there others that should also be considered?

GEA supports use of the primary energy metric which as the Discussion Paper notes is recommended by the US Department of Energy and reduces the bias towards electric appliances that occurs when upstream energy losses and emissions are not taken into account.

Question 2: What components do you think should be included in the scope for the NCC? For example, should renewable energy be included?

As noted above, as a general principle, GEA supports technology neutral energy policies and therefore supports the scope of the NCC reflecting this principle. GEA understands that batteries and solar/renewables are included in the scope because such technologies can affect building design. But it is not clear why biogas should be excluded. The use of renewable gas, including biomethane and biopropane, is growing overseas, and its use can affect building design, especially when it is produced on-site from household waste.

Question 4: Do you think there should be a target for the sector and if so, what do you think it should be?

GEA supports an GHG abatement target for the sector linked to its share of meeting Australia's international commitment to reduce GHG emissions. Given the difficulty of reducing GHG emissions in some sectors eg, agriculture, the residential building sectors' share should be higher than its share of the production of such emissions in Australia.

Question 5: Do you think anything has been missed in the scenarios being modelled and what are the implementation issues that need to be considered?

GEA notes advice provided during the workshop convened by your Department on 18 June 2018 in Canberra that the modelling assumed that LPG was consumed by the residential building sector only in the Northern Territory. I have attached two reports which provide information on the amounts, consumers and location of LPG consumed in Australia. Consequently, GEA is concerned that the modelling is based on unrealistically low amounts of LPG consumption in the Australian residential building sector, especially in regional and remote Australia where LPG consumption is higher than in the major Australian capital cities.

Question 6: Do you have any other comments or suggestions?

GEA is concerned about the apparently unsubstantiated comments in the Discussion Paper about the high cost of bottled gas. The article 'Energy Storage: is the best option already under your feet?', published in May 2018 by Energy Networks Australia (ENA), which has no interest in promoting non-network LPG energy solutions, estimated that the cost of energy from LPG is competitive with electricity and much cheaper than batteries – see <https://www.energynetworks.com.au/news/energy-insider/energy-storage-best-option-already-under-your-feet>. While GEA is liaising with ENA about factors that might have inflated the LPG cost estimate, the ENA numbers nevertheless highlight that LPG should not be dismissed as a high cost energy source, especially in regional and remote Australia where powerline and pipeline infrastructure costs can be prohibitive.

Conclusion

GEA support efforts to improve the energy efficiency of residential buildings and reduce GHG emissions that are technology neutral and welcomes recent efforts to make NEPP work more consistent with this approach. Nevertheless, the Discussion Paper still contains elements of technology bias and GEA would be concerned if failed federal, state and territory government renewable energy only policies and programs, which have imposed higher costs on energy consumers and taxpayers, were replicated in the NCC.

For your consideration.

A handwritten signature in black ink, appearing to read "John Griffiths", with a long horizontal flourish extending to the right.

John Griffiths
Chief Executive Officer