

MEDIA RELEASE

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Gas bans would be a risk to Victorian energy customers

New legislation to ban all onshore unconventional gas exploration and development in Victoria could lead to higher energy costs and supply risks for energy customers, Energy Networks Australia said today.

Energy Networks Australia Chief Executive Officer John Bradley said access to natural gas was vital to enable Victoria's transition to a cleaner energy future.

"Blanket bans on gas development are a high risk strategy, given no other state depends more on secure access to this low carbon energy source than Victoria," Mr Bradley said.

"This year the Australian Government identified a gas supply shortfall for Victoria and southern states over the next 20 years, so blanket bans can only drive up prices or increase the risks of a shortfall that threaten jobs and households."

Mr Bradley said it was appropriate for Governments to introduce stringent environmental regulation and access frameworks to provide confidence to landholders.

"Best practice environmental regulation would see the assessment of projects on a case by case basis, under principles of ecologically sustainable development."

Mr Bradley said that the South Australian energy sector highlighted the important role of gas and gas-fired generation supporting power system security and reliability.

"Natural gas can play a vital role supporting supply security as more renewables are added to the system but a state wide ban on gas exploration and production will threaten that transition," Mr Bradley said.

"Victoria's energy system already faces a lot of radical change - with Government policies to introduce 5,400 MW of renewable generation capacity in less than a decade and the recent announcement that Hazelwood power station will close with just 5 months notice."

Mr Bradley said gas remained a key enabler for achieving emission abatement targets at lowest cost, while providing energy security.

"Low emission, responsive gas-fired generation is vital to support the ups and downs of renewable generation. Instead, it is being squeezed out by government policies that are not technology neutral."

Mr Bradley said independent scientific advice from the [Australian Academy of Technology & Engineering \(ATSE\)](#) had found there was no evidence of widespread, systemic impacts on drinking water resources from hydraulic fracturing of shales in the United States.

"Scientific evidence based on, for example, extensive shale gas developments in North America and coal seam gas (CSG) developments in Australia over the past decade, indicates that provided leading practice is followed, including in regulation and monitoring, unconventional gas can be produced in a manner that is environmentally responsible and provides significant societal benefits."

"Ignoring scientific evidence will create risks for Victorian energy customers," Mr Bradley said.

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Media Contact: Emma Watts 02 6272 1514 or 0402459565

Energy Networks Australia represents Australia's electricity transmission and distribution networks and gas distribution networks. Our members provide energy to virtually every household and business in Australia.