Gas Energy Australia

INITIATIVES FOR A CLEAN, SECURE ENERGY FUTURE

Using Australian gas is essential to reducing carbon emissions. Confused?

By switching from diesel to gas where electrification is simply not possible, providing necessary and reliable back-up to solar and wind power and adopting emerging renewable, net zero gases, Australian families and businesses can continue to use efficient and affordable locally produced gas.

Domestic gas production and its networks underpin over 260,000 Australian jobs, as well as 24,000 contractors and over 2,200 apprentices, while driving more than $55 billion in direct value-add to the economy (3% of GDP). Australian gas generates a further $470 billion in flow-on domestic economic activity each year.

The existing delivery systems of 40,000km of pipeline, as well as cylinders and tanks, means minimal construction or new infrastructure costs for consumers.

By changing to renewable gases through this network, we can save on additional costs while delivering reliable, affordable energy with net zero emissions.

Over the next 30 years Australian gas will transform into a decarbonised energy source. New bio and renewable gases, in addition to hydrogen, will be vital to Australia's energy system - importantly, tapping into our existing gas infrastructure network.

Recognising and supporting gas fuels today means supporting a cleaner and more reliable energy future for Australia.

SOLUTIONS TO SECURE CLEAN, AFFORDABLE

BETTER ALLOW FOR CREDITING OF LOW EMISSION AND RENEWABLE GASES

Australia needs to establish a national scheme for certifying renewable gases and expand the Guarantee of Origin scheme and GreenPower's Renewable Gas Certification Pilot, to include the full suite of renewable gases - not just hydrogen and biomethane. It makes sense to have more horses in the renewables race.

Improving the way emissions reductions from fuel switching are calculated and credited under the Emissions Reduction Fund will facilitate cleaner, safer gases for road and maritime use.

These simple measures will not cost the government anything, but will drive...

- Uptake of emerging renewable gases, such as low carbon biogas to deliver lower emissions.
- Transformation of entire networks to deliver net zero emissions.
- Incentivising land and sea transport to gain fuel credits, leading to increased uptake of cleaner and safer gases that are environmentally sound and benefit transport, commercial and industrial users.
- Cleaner fuels with lower emissions that can be delivered now and achieve net zero into the future.

"The Government agrees that giving industry greater opportunity to support the development of new methods would encourage innovation and new method development," Australian Government response to the Final Report of the Expert Panel examining additional sources of low-cost abatement ('the King Review') May 2020.

TIGHTER EMISSIONS STANDARDS

Implement results from the Non-Road Diesel Engine (NRDE) consultation, including tightening emissions standards for non-road engines using polluting diesel.

These tighter emission standards should also apply to heavy vehicles that travel through Australian cities to reduce CO2, NOx, SOx and particulates.

Key international lessons include...

- Most countries have implemented emission standards for non-road engines. As a result, Australia is lagging well behind and being dumped with older, more polluting engines.
- Australia should also mandate Euro VI standards for heavy vehicles to bring Australia in line with the EU and other countries, such as the US and Japan.
- Introducing tighter emissions standards for non-road engines and heavy vehicles, and the increased use of gas to meet these standards, will deliver air quality benefits today and will be further improved through the use of emerging renewable gases.

"Significant emissions reductions and health benefits may be achieved by introducing national NRDE emission limits based on existing overseas standards". Department of Agriculture, Water and the Environment, 'Non-road diesel engines – evaluating a national approach to managing emissions', Discussion paper, October 2020.

& RELIABLE ENERGY FOR ALL AUSTRALIANS

TAX GAS FUELS AT 50% OR LESS THAN THAT APPLIED TO DIESEL

Reduce gas fuels excise to 50% of the rate applied to diesel/petrol on an energy equivalent basis. Gas excise has blown out to more than 80% of the diesel rate, inhibiting uptake of cleaner fuels.

Introduce incentive schemes like EU countries, including the Netherlands, Poland and Germany, to reduce excise on gas heavy vehicles, and exempt gas from truck tolls. Gas currently powers over 1.5 million vehicles in Europe.

This represents a minimal cost to government, but a major boost to decarbonisation through...

- Delivering significantly reduced carbon and particulate emissions in heavy transport, which is one of the hardest to decarbonise sectors of the Australian economy.
- Competitive pricing means lower - and, ultimately, net zero - gases will replace diesel in the trucking sector.
- Easy to implement, this delivers benefits for industry, taxpayers, government administration and the environment.
- Imported diesel would be replaced by gases which Australia has in abundance, delivering genuine fuel security.

INCENTIVISE USE OF GAS FUELS, INCLUDING HYDROGEN, IN MARITIME SECTOR

Phase out oil-based ships, which present a danger to Australia's pristine waters and shores, replacing them with cleaner and safer renewable gas-run vessels, including new ferries brought into service.

Create incentives for the uptake of cleaner Australian gas fuels in the marine sector (i.e. reduced port charges and levies).

By removing barriers and supporting the use of cleaner marine fuels, Australia can...

- Avoid disastrous oil spills and reduce marine pollution.
- Set the marine sector on a viable pathway to reach net zero emissions through the greater use of renewable gases.
- Easily facilitate a proven performer, with gas already used successfully in Australian shipping and ferry operations - delivering net zero as emerging renewable gases become mainstream.
- Replace reliance on imported oil with renewable gases, which Australia has in abundance and deliver genuine fuel security.

"Natural gas is one of the mainstays of global energy. Where it replaces more polluting fuels, it improves air quality and limits emissions of carbon dioxide." Dr Fatih Birol, International Energy Agency, Executive Director, The Role of Gas in Today's Energy Transitions, July 2019.

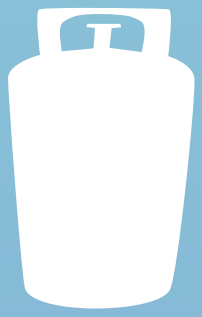
ABOUT GAS ENERGY AUSTRALIA

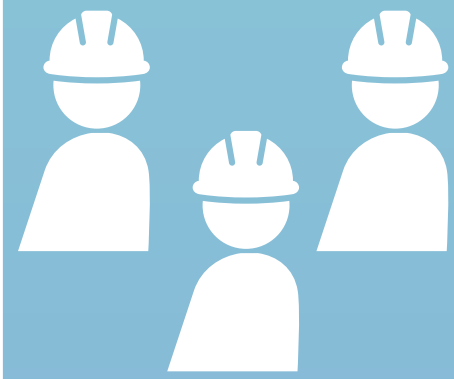
Gas Energy Australia is the national peak body representing the bulk of the downstream gas fuels industry, covering Liquefied Petroleum Gas (LPG), Liquefied Natural Gas (LNG), Compressed Natural Gas (CNG) and Hydrogen (H2).

The industry comprises big, medium and small businesses across the gas supply chain, including producers, refiners, distributors, transporters, retailers, vehicle manufacturers, equipment manufacturers and suppliers, installers, educators and consultants.

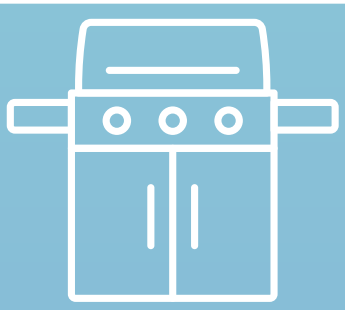
GAS FACTS:

2 MILLION AUSTRALIAN HOUSEHOLDS USE LPG FOR EFFICIENT, AFFORDABLE HEATING AND COOKING





CREATES AND SUPPORTS 260,000 AUSTRALIAN JOBS

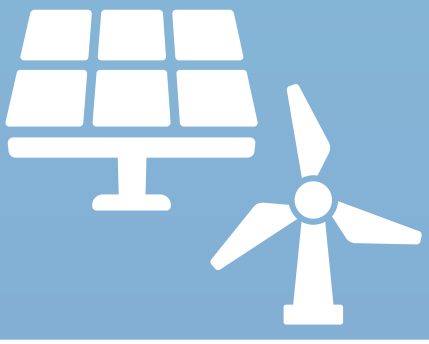


AUSTRALIAN HOUSEHOLDS RELY ON MORE THAN 18 MILLION GAS AND LPG APPLIANCES – INCLUDING THE ICONIC AUSSIE BARBECUE

PROVIDES ONE-QUARTER - OF AUSTRALIA'S END-USE ENERGY CONSUMPTION

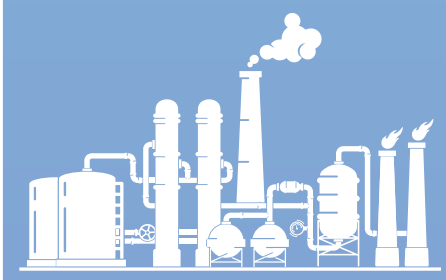
AUSTRALIAN GAS OFFERS A WORKFORCE START FOR 2,223 YOUNGER AUSTRALIANS IN APPRENTICESHIPS AND TRAINEESHIPS

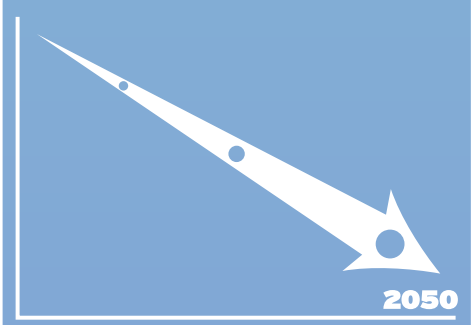
THE FLEXIBILITY OF GAS FUELS MAKES THEM THE IDEAL BACK-UP ENERGY SOURCE FOR EMERGING RENEWABLES



GAS IS DISTRIBUTED BY ONE OF THE MOST EXTENSIVE NETWORKS IN AUSTRALIA WITH MORE THAN 40,000KM OF PIPELINE

GAS FUELS ARE ESSENTIAL TO PROVIDE HIGH TEMPERATURE HEAT AND FEEDSTOCK TO AUSTRALIAN MANUFACTURING- THERE IS NO SUBSTITUTE





RENEWABLE AUSTRALIAN GAS FUELS ARE PART OF THE SOLUTION - TRANSITIONING TO NET ZERO EMISSIONS

FIND OUT MORE: www.cleanercheaperfuels.com