



MEDIA RELEASE

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Natural gas the key to easing electricity prices

A NSW Government report tabled in Parliament says that without the development of new gas resources the state remains vulnerable to increasing electricity prices.

The Australian Petroleum Production & Exploration Association (APPEA) welcomes the “*The Economics of Energy Generation*” report released by NSW Parliament’s Public Accounts Committee. The report says coal seam gas is the potential new source of energy that has the capacity to transform the industry and improve the state’s energy security.

Report highlights include:

- The Committee considers that there will be an increased demand for gas-fired generation in the future as the State transitions to lower carbon emissions. This increased demand, along with other factors such as dwindling supply of conventional gas and moves towards international price parity, are expected to put pressure on conventional gas prices and, as a result, the cost of electricity;
- Developing NSW’s significant coal seam gas resources has potential to ease some of these pressures. CSG has the potential to increase energy security and affordability in NSW, as well as providing other economic benefits to the State associated with the development of a new industry; and
- The Committee does not support a domestic gas reservation policy as this would inappropriately interfere with the operations of the gas market. The Committee considers that the best way to encourage future gas production and supply is to allow the market to operate freely.

APPEA Chief Operating Officer Eastern Region, Rick Wilkinson said: “The release of this report highlights the importance of gas production to the future of NSW.

“If there is to be downward pressure on rising electricity prices then sourcing natural gas from coal seams could be the game-changer.

“Not only will we see the creation of thousands of jobs, as has happened in Queensland, but regional economies will also be revitalised.”

APPEA supports the committee’s recommendation of a public education campaign to provide up-to-date and accurate information about the gas industry, the regulatory environment in which it operates and the benefits of gas production.

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The Australian Petroleum Production & Exploration Association represents the upstream oil and gas industry in Australia. APPEA member companies produce around 98 per cent of Australia’s oil and gas.