

New gas supplies ‘needed’ says Bowen as Gippsland wind takes off – The Australian Financial Review



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Minister Chris Bowen believes Australia has no option but to seek new supplies of gas even as the government accelerates rollout of renewables, including green-lighting preliminary work on six potential offshore Gippsland wind projects.

In comments to major energy buyers at a conference in Melbourne on Wednesday, Mr Bowen will declare that gas will play an important role filling the gap left by wind and solar, noting that unlike the opposition’s support for nuclear and coal, the energy source can be turned on and off at short notice.

“With current supplies of gas dwindling, new supply will be needed – even as we electrify at pace,” says Mr Bowen, pictured with Victorian Energy Minister Lily D’Ambrosio. **Oscar Colman**

“Frankly, there are exaggerated claims on all sides of the gas debate,” he will tell the conference organised by the Energy Users Association. “Slogans like ‘gas-led recovery’ and ‘no new gas’ are equally catchy – and equally unhelpful to explaining the proper role of gas in our net zero energy mix.

“Gas will play an important role in electricity by firming and peaking renewables.”

The remarks come ahead of the release in “coming weeks” of Labor’s future gas strategy – a policy plan being developed by Resources Minister Madeleine King – which Mr Bowen will say is about ensuring the use of gas is “guided more by the evidence and less by the culture wars”.

“While technologies like green hydrogen will be vital – and I am very optimistic about Australia’s role in the global hydrogen supply chain – there are not yet substitutes for gas in many industrial settings,” Mr Bowen will say, according to speech notes.

Divisive

Labor has spent much of its first two years in office juggling the challenge of managing the politics of gas, which has put it into direct conflict with the Greens and environmental groups while fuelling distrust inside the industry over price caps, regulations and taxes.

Federal Labor has also clashed with Victorian Energy Minister Lily D’Ambrosio, who has accused Ms King of acting “more like a Coalition minister”.

It also comes after shareholders sunk Woodside Energy’s climate action plan, which the company’s leadership had previously defended as a way to “thrive through the energy transition” and be part of the solution to climate change. BHP, Rio Tinto, Santos, AGL Energy and Origin Energy have all put their climate plans up for non-binding votes, with Woodside’s the first to be rejected.

Mr Bowen will say that “with current supplies of gas dwindling, new supply will be needed – even as we electrify at pace”.

Labor’s support for gas is aimed at buttressing the rollout of renewables, led by solar and wind, with Mr Bowen telling the peak body for the nation’s biggest energy users that bidders have been listed for a Victorian capacity investment scheme tender. Organised to provide an additional 600 megawatts of capacity by 2030, the government has received offers for 19,000 megawatts, 32 times more than it asked for.

Gippsland wind

In addition, Mr Bowen will announce the granting or offers of feasibility licences in the Gippsland offshore wind zone. The winning proponents are High Sea Wind, Gippsland Skies, Blue Mackerel North, Kut-Wut Brataualung Project, Ørsted Offshore Australia 1 and Star of the South Wind Farm.

“That’s enough to power the Gippsland region’s annual industrial consumption 100 times over, or more electricity than the entire state of Victoria generated last year,” Mr Bowen will say. “Even just some of that potential will make a substantial contribution to filling the gap left by coal in Victoria and across the NEM [National Electricity Market].”

Mr Bowen will add Gippsland is the first of six zones around the nation, with the International Energy Agency describing wind in a category of its own as “variable baseload power” – with “similar capacity factors as gas and coal-fired power plants”.

The feasibility licences will allow the project developers to undertake environmental assessments and geotechnical surveys and obtain approvals.

Speaking at a separate solar and storage conference in Brisbane on Wednesday, opposition energy spokesman Ted O’Brien will attack Mr Bowen’s “all-eggs-in-one-basket renewables-only approach” to energy and climate policy while offering a qualified defence of rooftop solar.

Mr O’Brien will declare that rooftop solar appeals to him instinctively as a Liberal, given “I believe in individual freedom, property rights, enterprise and competition”.

“Australia’s extraordinary growth of rooftop solar over the last decade stems from individuals exercising their free choice to adopt the technology,” he will say. “Their decisions as home owners to put solar panels on their roofs has been an assertion of private property rights done in contract mostly with small businesses in a competitive market.”

However, Mr O’Brien will challenge the rooftop solar industry for the issues it causes in the NEM.

“When the sun is shining brightly, typically in the middle of the day, it can saturate the grid and force curtailment of electricity,” he will say. “Among those affected by curtailment can be rooftop solar owners themselves who struggle to feed electrons onto the grid and also other energy generators, both renewable and non-renewable alike.

“Given our biggest threat to our 24/7 power system is a lack of supply, these forced curtailments send all the wrong signals to potential investors across all sources of energy generation which we need to bring to market.”