



**CONSERVATION
COUNCIL** ACT REGION

Submission to ACT Legislative Assembly Standing Committee on Environment, Climate Change and Biodiversity: Inquiry into Climate Change and Greenhouse Gas Reduction (Natural Gas Transition) Amendment Bill 2022

30 August 2022

The Conservation Council ACT Region is the peak non-government environment organisation for the Canberra region. Since 1981, we have spoken up for a healthy environment and a sustainable future for our region. We harness the collective energy, expertise and experience of our more than 40 member groups to promote sound policy and action on the environment.

We campaign for a safe climate, to protect biodiversity in our urban and natural areas, to protect and enhance our waterways, reduce waste, and promote sustainable transport and planning for our city. Working in the ACT and region to influence governments and build widespread support within the community and business, we put forward evidence-based solutions and innovative ideas for how we can live sustainably.

At a time when we need to reimagine a better future, we understand that the changes we need will only happen with the collective support of our community.

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Introduction

The Conservation Council ACT Region thanks the Standing Committee on Environment, Climate Change and Biodiversity for the opportunity to provide feedback on the ACT Legislative Assembly's Climate Change and Greenhouse Gas Reduction (Natural Gas Transition) Amendment Bill 2022.

The Conservation Council ACT Region welcomed the ACT Government's recent commitment to phase out fossil gas, and transition to an all-electric city on their pathway to zero net emissions by 2045. The ACT is the first jurisdiction in Australia to make this commitment and it is a significant recognition of the 20% contribution that gas makes to the ACT's direct greenhouse emissions. Phasing out fossil gas for heating, cooking and hot water is very doable given the alternative technologies that are available, often more efficient, cleaner, safer and cost-saving for household and business energy bills.

Modifying operation of national energy laws is supported

The Council is aware that the National Gas Law requirement for gas distributors to provide new connections to proponents who request it is contradictory to the ACT Government's commitment to net zero emissions by 2045. Thus, the Council supports the proposed amendment to the *Climate Change and Greenhouse Gas Reduction Act 2010* to enable creation of a regulation-making power that modifies the application of the national energy laws to limit new natural (fossil) gas mains connections.

Definition of 'natural gas' and exceptions

The proposed definition of 'natural gas' within the Act will include 'natural gas blends' and an avenue to exclude other sources of methane from use in the network is supported. Exclusion of hydrogen from use in the network should also be made explicit.

The Conservation Council is pleased that the ACT Government has made a clear decision not to replace fossil gas with biogas or hydrogen as a long-term solution. The production of biogas at scale is not a realistic option to replace fossil gas across the Territory's gas network, and can still have climate impacts. Substituting hydrogen produced using renewable energy is also a highly inefficient way of delivering energy into our homes when we can power them directly with renewables. There will be other uses for green hydrogen that don't include the residential network.

We note that the proposed amendment "does not extend to 100 per cent renewable gas connections" and provides exception for gas consumption via other supply methods (such as portable gas cylinders).

Exceptions must be carefully assessed, limited in scale (for instance, as stand-alone biogas capture and on-site consumption installations at sewage treatment plants) and closely monitored to ensure they do not undermine the purpose of the Act and achievement of GHG reduction targets.

Proactive disconnection of existing gas customers

The amendment also does not directly address the proactive disconnection of the 131,550 households and businesses connected to the Territory's gas network. These gas users are the source of the Territory's 20% of GHG emissions from stationary energy and must be proactively transitioned off the network. The likely rate of natural attrition - encouraging households to merely replace gas appliances with electric as they break down - will not be consistent with the urgency required by global climate science, and does not reflect the Government's 2019 declaration of a climate emergency.

As a next step, we recommend that the Government further amend this Act as required to enable deliberate, planned disconnection of gas users from the network, with due regard to supporting vulnerable customers. In the interim, we recommend that the Government use new section 13B (3) to require gas distributors to provide advice to existing customers that they should plan to transition off gas as soon as possible.

If the Government were also to compel gas retailers to record customers' reasons for disconnecting from the gas network, this would provide useful data to inform the transition strategy and public engagement.

Low-hanging fruit

Noting that this amendment will likely not come into effect until 2023, we urge the ACT Government to engage with all developers and home builders to move ahead of this timeline, and stop new builds with gas connections right now. This is essential both from a "do no more harm" perspective on climate change, but also because of the future expense of transitioning properties off the gas network over the next two decades compared to building all-electric now.

Recent investigation on building trends for new multi unit apartments in the ACT revealed that only a small proportion of new buildings were all-electric. Most were using gas for hot water, and some were still installing gas cooktops. Thousands of new apartments have been brought onto the ACT marketplace in the past two years that will require retrofitting with all electric solutions in the future, potentially costing homeowners significant money, to not just upgrade personal appliances but also to ensure space and appropriate network connections for appliances.

A strong developer / business engagement program should commence immediately to drive forward a voluntary transition to all electric developments.