

Gas will steady ship through WA's clean energy transition

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Western Australia's

plans to phase out State-owned coal-fired power plants by 2029 is undoubtedly a watershed moment in the State's energy landscape. Credit: Pixabay /Pixabay (user stevepb)

Western Australia's plans to phase out State-owned coal-fired power plants by 2029 is undoubtedly a watershed moment in the State's energy landscape.

As is painfully obvious nationally and internationally recently, a measured and managed energy transition is needed to avoid unintended supply disruptions and unwelcome energy cost increases.

By flagging its plans well ahead of time, the State Government has provided important certainty to market participants on how the transition away from coal-fired power to increased renewable energy generation will occur.

An important element underpinning this plan is the use of natural gas, providing peaking ability when renewable energy generation is unavailable, and generating 50 per cent less emissions than coal in the process.



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Even before the announcement last week, the Australian Energy Market Operator acknowledged the need for increased gas to support the South West Interconnected System as coal-fired power is retired.

In its 2021 WA Gas Statement of Opportunities report, it said gas power generation was forecast to “grow by 14 TJ/day, from 129 TJ/day in 2022 to 143 TJ/day in 2031, as renewables only partly replace coal plant retirements”.

Luckily for WA, our state is blessed by significant natural gas resources, both from offshore and onshore fields. For decades gas has done the heavy lifting to meet our State’s energy needs.

Besides providing energy to homes and businesses, natural gas also provides reliable energy to critical sectors of our economy such as mining and minerals processing.

Whatever happens, we need to ensure that West Australians and the businesses and industries that underpin our economy can continue to have access to reliable and affordable energy.

It means despite our smaller population WA consumes nearly as much natural gas as Queensland, NSW and Victoria put together according to the Australian Government’s 2021 Australian Energy Update.

It also means that our supply of reliable and affordable energy has enabled the mining sector to prosper and in the process, employ thousands of people and contribute significant royalties to the State to spend on services such as health and education.

Gas’s ongoing role in WA’s energy mix also means increased focus on emissions reduction of our facilities and assets and investment and focus on decarbonisation opportunities.

The gas industry is committed to playing its role to meet the target of net zero emissions by 2050. To make the biggest impact will require technology such as carbon capture and storage to be deployed more widely (a trend that’s happening around the world) and research and investment in new ways to produce fuels and energy with lower emissions.



RENEWABLE TICKBP’s investment shows tide is turning on hydrogen: WoodMac

Stuart McKinnon

Many companies that have long been leaders in the exploration and production of natural gas are turning their focus to emission reduction technologies, including the development of hydrogen.

It’s a natural fit in many ways, with hydrogen and natural gas requiring many of the same skills in terms of use of technology, transport, marketing and management of complex, integrated projects.

Several companies have announced feasibility studies and plans for hydrogen projects, the most recent being BP’s announcement earlier this month to take a 40.5 per cent stake in the massive Asian Renewable Energy Hub project in the Pilbara.

Once operational, the AREH will integrate solar and onshore wind power to generate 26GW of power, some of which will be supplied to local consumers as well as used to produce about

1.6 million tonnes of green hydrogen or 9 million tonnes of green ammonia for use within Australia and for export to major international consumers.

According to BP and its project partners, once fully operational ACEH will abate about 17 million tonnes of carbon annually in domestic and export markets.



DEAL IN THE MAKINGBP said to eye Pilbara renewable energy hub stake

So, while natural gas will steady the ship as the State moves through a major transition in its energy mix, you could well find that natural gas producers of today will be the renewable energy and low emission fuel leaders of tomorrow.

Whatever happens, we need to ensure that West Australians and the businesses and industries that underpin our economy can continue to have access to reliable and affordable energy.

We look forward to playing our part.