

Media Release

The Hon Lily D'Ambrosio MP
Minister for Climate Action
Minister for Energy and Resources
Minister for the State Electricity Commission



Wednesday, 11 September 2024

SHORING UP OUR GAS SUPPLY AND SUPPORTING OUR TRANSITION

The Allan Labor Government is building for our future – securing additional gas storage capability and reducing demand for gas to slash Victorian energy bills and preserve supply for those who need it.

Minister for Energy and Resources Lily D'Ambrosio and Minister for Planning Sonya Kilkeny are today introducing legislation into the Victorian Parliament which will allow offshore gas storage projects in Victorian waters and enable consultation on the Victoria's energy transition, so the voices of industry and community are heard.

To hear from the community, the Government is introducing the *Building Legislation Amendment and Other Matters Bill 2024*, which is necessary to permit formal consultation later on options for electrifying Victorian homes when existing gas appliances reach end of life.

Gas cooktops in homes, gas appliances in existing commercial buildings and industrial, agricultural and factory facilities, as well as the use of LPG will not be impacted. All new homes that need a planning permit are already required to be built all electric. The consultation will consider expanding this requirement to all new homes and many commercial buildings.

Victoria is the largest user of residential gas in Australia, with two million households and businesses connected to the reticulated gas network. Converting an existing home from gas to all-electric will save the average family \$1,700 per year and if they add rooftop solar, they could save \$2,700 per year.

The Government will release draft regulations for consultation in December 2024, followed by an extended public consultation period during which formal submissions can be made via Engage Victoria.

Victoria has used onshore gas storage to meet demand throughout winter for many years. The *Offshore Petroleum and Greenhouse Gas Storage Amendment Bill 2024* will allow gas to be stored in empty gas reservoirs offshore, to boost supply security.

Gas can be safely stored in underground reservoirs deep in rock layers, where it formed naturally before being extracted. The Bill gives investment certainty to these critical projects, while also strengthening accountability and regulatory oversight of proponents who operate these storage sites.

Increasing our gas storage capacity will increase reliability and security during periods of high demand. It will also support our gas-powered electricity generators, with gas currently providing around 2 to 5 per cent of Victoria's total electricity generation on average.

Quote attributable to Minister for Energy and Resources Lily D'Ambrosio

"Our new legislation paves the way for the development of offshore gas storage projects, to help secure gas supply while we cut gas demand by helping Victorian households electrify and save from day one."

Quote attributable to Minister for Planning Sonya Kilkeny

"We're listening to Victorians on how we want to transition as a state while we help households to switch to electric appliances, so they can save money."

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