



Australian Pipeline Industry Association Ltd

MEDIA RELEASE

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- **Owen Report urges private investment in NSW power generation**
- **APIA says private sector needs certainty before commitment**

Private sector investment should be encouraged in order to help reduce greenhouse gas emissions, particularly investment in natural gas as the fuel of choice for NSW energy generation, according to the Australian Pipeline Industry Association (APIA).

APIA, which represents Australia's natural gas transmission industry, was responding to today's release of the Owen Report on base-load power generation in New South Wales.

"The Owen Report clearly identifies the need for private sector investment, but the private sector needs certainty before such commitment can be undertaken," APIA's Chief Executive, Cheryl Cartwright, said today.

"Natural gas will be part of NSW's energy generation future as it has lower greenhouse gas emissions and uses less water in energy generation than does coal, it is less expensive than renewable energy and the technology is available now," she said.

"As well as being an obvious transitional fuel in the shift to clean energy generation, natural gas could be part of the future in the longer term for base-load power generation, but it needs to have appropriate government policies."

Ms Cartwright said that, as well as private sector involvement in power generation, the infrastructure to transport natural gas was privately funded, but investors needed appropriate government economic policies in order to encourage expansion of such infrastructure.

"As Professor Owen has highlighted in his report, '*additional investment in an adequate and reliable NSW gas transmission network will be required...*'; therefore long-term investment in long-distance gas transmission pipelines should be encouraged by government policies," Ms Cartwright said.

"To provide the necessary transport for the increased demand for natural gas, the regulatory environment needs to ensure there is no restraint on investment in capacity."

The use of gas as a preferred base-load power generation fuel would have substantial benefits.

Natural gas-fired power generation uses between 20 and 40 per cent of the water used for coal-fired power generation. When comparing costs, power generation by natural gas is generally around half the cost of power generation by renewable energy sources, and the cost of power generation using clean coal (geo-sequestration) technology is more than double the cost of natural gas-fired power.

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