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Thank you for the opportunity to provide some comments on the APA's Environment Effects Statement for the proposed Western Outer Ring Main Gas Pipeline.

Due to the fact that there is a large number of consultations underway at present, we are not able to provide detailed response to this one. However we note that a number of experts in the field, such as Alan Pears AM, Senior Industry Fellow RMIT University, and Fellow University of Melbourne have already provided detailed commentary about why the gas pipeline is not needed.

We note that there is growing consensus that if we are to have a hope of averting catastrophic global warming, we must stop investing in new fossil fuel infrastructure. The recent International Energy Agency (IEA) report, Net Zero by 2050: a Roadmap for the Global Energy Sector notes that in order to 'give the world an even chance of limiting the global temperature rise to 1.5 °C', that 'from today, no investment in new fossil fuel supply projects' is possible. The IEA notes that 'ever-cheaper renewable energy technologies will give electricity the edge in the race to zero emissions, and as electricity generation becomes progressively cleaner, electrification of areas previously dominated by fossil fuels will emerge as a crucial economy-wide tool for reducing emissions'. This includes fossil gas. The recent IPCC sixth assessment report makes a similar case for rapid decarbonisation.

Building a new gas pipeline will be an investment in the energy of the past and potentially create a stranded asset. As a non renewable resource that has already peaked, the cost of fossil gas will only go up, so creating a new pipeline will not support residential, commercial or industrial consumers. Any sort of infrastructure that facilitates the use of fossil gas would also be at odds with the Victorian government's commitment through the Climate Change Act to reach net zero emissions by 2050 via a series of Emission Reduction Targets ERTs.

We need to look in detail at the net benefits of investing in new infrastructure compared with the climate impacts of doing so. We should also ask if there are alternatives.

Investing in new infrastructure will lock in continued use of gas and potentially extend the life of this resource. This will help put off future emissions reductions. There is a body of evidence that shows that the cumulative impacts of emissions are highly significant, and vary depending on the pathway chosen to reach Net Zero by 2050. If we lock in further fossil fuel infrastructure, we decide to push back the required

transition away from use of this gas and therefore delay action to reduce emissions until closer to 2050. The climate and economic costs of this decision are significant when compared with early action to achieve deep emission reductions.

So the net benefits of the WORM project have to be very high for it to be justified.

The reasons for the project are given as being to:

- ensure sufficient gas supplies are available during winter peaks
- enable hydrogen to be incorporated into Victoria's energy system
- create a more efficient system of moving gas around the state, and to deal with the new gas expected to come on stream from new gas wells and LNG imports
- reduce operating costs

Availability of sufficient winter gas

Ensuring the availability of gas in winter is identified as a critical reason for the WORM project. Winter availability can be assured by either reducing demand for gas or by increasing supply of gas on peak days (aided by this project).

With demand-side measures, we can greatly reduce the very real risk of gas supply running out on one or more days of high demand in winter. Demand-side management has begun in earnest in electricity markets, and there is huge potential in the case of gas. Ever lower costs of renewable electricity increase opportunities for electrification of many functions – such as industrial processes and residential use – that currently rely on gas.

The EES does not address demand reduction potential at all, nor does AEMO's Victorian Gas Planning Report. This is at odds with state government initiatives: Demand reduction is a major focus now of two major government inquiries.

- the draft Gas Substitution Roadmap report prepared by DELWP and
- the draft Gas Infrastructure 2050 report prepared by Infrastructure Victoria.

Current programs of the Victorian Government are also focused on demand reduction, in particular the Victorian Energy Upgrades program.

It would be inconsistent with these sound policy processes to approve a major new piece of gas delivery infrastructure.

Adding hydrogen to the gas mix

The future contribution of hydrogen production to the Victorian economy does not depend on mixing it with fossil-based gas in the gas transmission and distribution network. Onsite production for industry or distribution in dedicated pipelines will be the solutions. The technology of incorporating hydrogen into our existing network is still being researched, and at best 20% hydrogen can now be included. As the graph by Ketan Joshi shows, the remaining 80% of gas will contribute massively to emissions by comparison to the alternatives.