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Climate Change Authority
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Australia's Climate Policy Options – Special Review Second Draft Report

Australian Gas Networks Limited (AGN) is one of Australia's largest natural gas distribution companies. AGN owns approximately 23,000 kilometres of natural gas distribution networks and 1,100 kilometres of transmission pipelines, serving over 1.2 million consumers in South Australia, Victoria, Queensland, New South Wales and the Northern Territory.

AGN considers that distributed natural gas is a low cost, low carbon choice for Australia. Our network delivers safe and reliable energy that is a fraction of the carbon intensity of mains electricity. Natural gas also provides a more diversified energy mix, thereby increasing the security of energy supply for Australian customers.

AGN welcomes the opportunity to comment on the Climate Change Authority's (the Authority's) Second Draft Report "*Australia's Climate Policy Options*". AGN understands that following this consultation period, the Authority will seek to identify effective policies and measures that Australia can use to reduce its emissions and support an effective international response to climate change.

As a member of the ENA, AGN is supportive of the positions outlined in the ENA's submission and encourages the Authority to consider the analysis that has been developed by Jacobs. Importantly, Jacobs' analysis demonstrates more cost-effective abatement outcomes can be achieved through technology-neutral policy, rather than technology-specific abatement programs that seek to encourage the up-take of renewable energies, for example.

As such, AGN encourages the Authority to advocate for technology-neutral climate policies that do not seek to distort markets by 'picking winners'.

That said, AGN supports the use of targeted policies that aim to support the development of new low-carbon technologies. AGN notes however, that these policies should be reviewed regularly to ensure that they are only applied to relatively immature technologies and are removed or reduced once the technologies are able to compete on their own merits.

Please contact either Ashley Muldrew (08 8418 1115) or myself (08 8418 1129) if you would like to discuss the matters raised in this submission further.

Yours sincerely

A handwritten signature in blue ink, appearing to read "Craig de Laine".

Craig de Laine
General Manager – Regulation