



Pathway to Electrification: Regulation to prevent new fossil fuel gas network connections

REPORT ON WHAT WE HEARD

The ACT Government is developing a regulation that will stop all new fossil fuel gas mains connections in residential and commercial areas across the Territory.

The ACT is preparing to electrify our city and transition away from the use of fossil fuel gas by 2045. We're doing this because an all-electric Canberra will allow us to power our city, homes, businesses, and transport in a cleaner and cheaper way.

Fossil fuel gas accounts for more than 20% of emissions in the ACT, making it the second largest source of emissions, after transport. Residential customers (homes) account for 51% of the annual fossil fuel gas demand each year in the ACT and about 97% of all fossil fuel gas network connections in the Territory.

Across our energy network, there are an average of 3,000 new fossil fuel gas network connections each year. At least 90% of these are for new residences. We know that allowing new fossil fuel gas network connections to continue to be put in our homes will create a much larger transition problem in the future. By developing a regulation now to prevent new fossil fuel gas network connections in the ACT we can:

- reduce the Territory's greenhouse gas emissions
- help building users save on energy costs
- avoid potential health impacts from burning gas in homes
- help avoid new developments being locked into using gas in the future
- assist the electricity and gas network owners to plan and manage both networks in the most cost-effective way to meet the needs of Canberra
- help builders, developers, gas fitters, electricians, gas component suppliers, gas consumers and government plan for the ACT's electrification.

It's proposed that the new regulation would start in November 2023 (or as soon as practicable after then).

THE CONVERSATION

Between March and April 2023, the ACT Government sought community and stakeholder feedback on transition to the new regulation, how it will be implemented and where exemptions might apply.



ACT
Government

YOUR SAY



The ACT community contributed to the consultation by:

- making a formal submission
- completing a survey through the YourSay Conversations platform
- attending a stakeholder or community webinar
- attending a stakeholder or community workshop

All consultation activities were held online except for the one in-person workshop.

WHO WE ENGAGED

Across the consultation period, we engaged with 421 community members and stakeholders in the ACT. This looked like:

- 313 survey responses
- 23 submissions
- 48 webinar participants
- 37 workshop participants

Homeowners were the largest group represented, followed by people who work in or represent the gas, plumbing or electrical trade industries.

The following organisations made formal submissions and/or contributed to other engagement activities:

- ACT Council of Social Service (ACTCOSS)
- ActewAGL
- Australian Pipelines and Gas Association (APGA)
- Australian Sustainable Built Environment Council (ASBEC)
- Australian Pipeline Limited (APA)
- Building Designers Association of Australia (BDAA)
- Conservation Council
- Energy Networks Australia (ENA)
- Evoenergy
- Green Building Council of Australia (GBCA)
- Housing Industry Association (HIA)
- Jemena
- Laundry Association Australia (LAA)
- Master Builders Association - ACT (MBA)
- Master Plumbers Association - ACT (MPA)
- Master Plumbers Association - ANZ (MPA ANZ)
- Owners Corporation Network (OCA)
- Property Council of Australia - ACT (PCA)
- The Plumbing Industry Climate Action Centre (PICAC)



Key insights from the community

General sentiment about the regulation

1. In general, there was strong support and/or positive sentiment about the introduction of a regulation to prevent new fossil fuel gas connections.
2. Participants were supportive of the regulation to contributing to achieving no fossil fuel gas emissions by 2045 and the associated environmental benefits of this. Participants mentioned other benefits of the regulation including: reduced energy costs, improved air quality, simplified energy bills and safer homes.
3. Where there were concerns about the regulation, these related to things like capacity and supply for the electricity network, impact on existing gas connections and affordability and equity in the community.
4. Opposition to the regulation related to things like the need for further analysis and modelling, impact on the individual right to choose and consideration of future gas alternatives (other than electricity).

Key issue 1: Identifying land or premises that are subject to the regulation

5. Across most engagement activities, there was a mix of views around the use of planning zones to identify or categorise land or premises that are subject to the regulation. Several stakeholders noted that this approach makes sense because the use of planning zones is commonplace in related activities and aligned with the ACT's current regulatory system.
6. 42% of survey respondents agreed that planning zones should be used to identify, or categorise, the land or premises in the regulation. 41% of respondents disagreed. Businesses and industry representatives were slightly more likely to agree that planning zones should be used. Homeowners were more likely to strongly disagree.
7. Those who agreed with using planning zones said that it made sense to align the regulation with the way the ACT is already divided up. There was a common view that some flexibility might be required in practice, for example handling high-density and medium-density housing separately.
8. Those who disagreed with using planning zones had concerns about things like equity and fairness, the need to keep things simple and the way that planning zones can change over time.

Key issue 2: Determining the types of land and premises to be included in the initial regulation

9. This issue assumes that planning zones are used.
10. Across engagement activities, there were mixed views about which land use zones should be included in the regulation. However, most participants indicated that residential and commercial zones should be included in the initial regulation, with a few suggesting that it apply to industrial areas in the near future.
11. The most commonly mentioned benefit of including residential land or premises in the regulation was preventing households from being locked into a diminishing gas network, avoiding rising costs and future requirements to convert to electricity.
12. The most commonly mentioned benefit of including commercial land or premises in the regulation was the fact that commercial gas users tend to have higher use, so preventing commercial gas use would provide a greater reduction in emissions.
13. The idea of phasing was raised by some participants, for example, starting with new residential developments, then commercial and industrial units.



ACT
Government

YOUR SAY



Key issue 3: Application of the regulation to greenfield and infill developments, including renovations and knock-down rebuilds

14. There was strong support for the regulation to apply to both new developments and infill developments (including knock-down rebuilds or renovations where the gas connection is abolished). 51% of survey respondents agreed with this, and 35% strongly agreed.
15. There was also strong support for the regulation to apply to knock-down rebuilds and renovations.
16. Where applying the regulation to both new and infill developments wasn't supported, concerns commonly related to a preference for gas infrastructure to be utilised rather than left unused or decommissioned. Also there were concerns less gas connections would lead to increased costs to those who remained on the gas network.

Key issue 4: Exemptions to the regulation

17. Most stakeholders agreed with the need for an exemptions process. There was a prominent view that an exemption should only be granted where there is not yet a viable, electric alternative.
18. It was also considered important that exemptions do not allow any new gas connections where there isn't an existing network and that the regulation should not include blanket categories of exemptions or deferrals.
19. The most common types of land or premises that survey respondents thought should be excluded from the regulation were existing homes (46%), industrial areas (44%) and small business premises (40%).
20. 62% of survey respondents agreed that some business types and industries should be exempt from the regulation. Most commonly, commercial and industrial land uses were raised when discussing where exemptions might apply.
21. There were varied views on how long an exemption might apply for. Most survey respondents (45%) thought that if an exemption was granted, it should apply for more than 10 years. The second most common suggested length was 1 year. Across other engagement activities, a few indicated that a 3-5 year time period would be reasonable when granting an exemption, while some others suggested 1-3 years.

Key issue 5: Reporting

22. There was strong support across all engagement activities for the proposed requirement for the gas distributor to report new connection information to the ACT Government (including location, number and type of connection).
23. There was also strong support for gas providers to provide information to customers about the future of the gas network in the ACT as part of routine communication (e.g., with each bill).

Key issue 6: Commencement date

24. Across all engagement activities, there was strong support for a regulation commencement date of November 2023. Most commonly, participants noted the importance of the regulation commencing as soon as possible in order to achieve the policy outcomes.
25. Where there were concerns about a November 2023 commencement date, they were about things like giving enough notice to homeowners, builders and business and making sure there is enough time for the workforce to adjust.
26. The need for a phased approach was also raised to allow time to handle some of the complexities with things like buildings where approval has already been given or apartment complexes and commercial premises.



Key issue 7: Transitional matters and other considerations

27. The most common issues raised across engagement activities about transitional matters and other considerations were the impact of the regulation on the workforce and supply chain, the handling of builds that already have development approval and the impact on individual rights
28. Training and education to support capacity building within the gas-fitting industry, including support for people currently employed as gas-fitters to re-train as electricians or move to plumbing work, was seen as a priority for many.
29. There was strong agreement that developments with existing approvals should be provided with a choice to change an existing approval from gas to electric.
30. Where there was concern about the impact of the regulation on individual rights, this was about things like loss of freedom of choice, increased costs for households and losing access to a reliable energy source.
31. Some other issues that were raised include concern about increased use of LPG and the importance of clear information and guidance for households about any changes and how/when they will be impacted.

Integrated Energy Plan

32. While the focus of the Issues Paper was the regulation to prevent new fossil fuel gas connections, the community was asked to provide any feedback that may help the development of the ACT's 'Integrated Energy Plan', which will outline the ACT Government's proposed pathway to electrification.
33. The main things that people said needed to be considered in the plan were things like the impact of the pathway to electrification on households and vulnerable members of the community, how existing infrastructure will be managed and the need for ongoing community and stakeholder consultation.

Green gas

34. Another issues that was raised during the consultation, but not directly related to the regulation, was the need to consider green gas and other gas alternatives.
35. A common concern from several stakeholders was a view that existing infrastructure is capable of storing and delivering these alternatives, and decommissioning the gas network is premature given advancements in green gas technology.

WHAT'S NEXT?

Feedback received has been used to inform the development of the proposed regulation for the no new gas connections regulation. Implementation of the regulation is currently underway and is expected to be in place by the end of 2023.

You can register to receive project updates at: gastransition@act.gov.au

To find out more about our Pathway to Electrification: Regulation to prevent new fossil fuel gas Connections and other initiatives, policies and projects in Canberra visit www.yoursay.act.gov.au



ACT
Government

YOUR SAY



THANK YOU FOR YOUR FEEDBACK

<p>3,354 We reached 3,350 people via YourSay</p>	<p>37 We spoke to 37 individuals at workshops</p>	<p>48 We delivered 2 webinars to 48 people</p>
<p>155 We sent emails to over 150 organisations and individuals</p>	<p>107,315 We reached a social media audience of over 107,000</p>	<p>336 We received 313 completed surveys and 23 formal submissions</p>