

Gas Roadmap submission from Determined Consumer

by Christopher Zinn

Foreword

As a consumer campaigner, I welcome the opportunity to contribute a submission to your important process.

I'd begin by reflecting that both the title of the roadmap and the intent within seem far more about replacing rather than substituting gas. It's not just a question of words as I'd argue gas is a vital part of a cleaner energy future and Victorians support it.

The roadmap should focus on any one form of energy but how all energy sources can work together for a cleaner energy future. The title of your roadmap suggests a fait accompli.

In most people's understanding, a substitute is a near alternative, and in the household example, there's a limited equivalence in comparing gas and electricity.

They perform similar tasks, notably heating but in different ways and require separate appliances. For reasons to be outlined below, consumers plainly and consistently favour gas over electricity for domestic heating.

To suggest electricity is a substitute for natural gas is like claiming the ground acorns used to make ersatz coffee in World War 2 (due to bean shortages) were a substitute when they were an inferior replacement.

While there's nothing intrinsically inferior about renewable electricity as an energy source, it needs to be admitted upfront

any replacement/substitution comes with clear costs in terms of a loss of utility and the need to reinvest in appliances.

It's also likely for some time yet less than half of Victoria's electricity will be renewable. There seems no environmental sense 'substituting' lower-emissions natural gas for brown coal-generated power.

1 Consumer choice

Your roadmap document states upfront that to maintain a strong economy and protect the interests of the state's any policies must "*maintain energy affordability, security, reliability and safety while progressively decarbonising our gas sector.*" see page 4

I would add consumer choice to this list because without households being given the data and incentives to make their own informed decisions on this topic, progress will be fraught.

I would highlight examples from other jurisdictions, such as the UK only recently, where [policies to remove and reduce gas](#), especially in terms of heating, have been frustrated due to a lack of consumer understanding and acceptance.

Too many plans and forecasts have had to be changed because the reality of replacing, say gas heaters, with electricity and other technologies invariably costs more and takes longer.

I would also argue that electricity is not a like-for-like substitute for gas to many consumers, especially regarding its most widespread household use of space heating.

The love of cooks for the open flame and its benefits for the finished meal are well ventilated, although cooking may not be a priority at 2% of total gas use.

But for space heating, many believe there is no substitute for gas in terms of the speed of heating and more qualitative but no less powerful attributes such as the flame and location in the hearth.

The fact that so many homes have and are wedded to gas is a testament to legacy issues and the nature of the fuel for which there is no *immediate* substitute.

2 The consumer support for gas

Your document reveals the reliance of Victorian homes on mains gas, but I believe it soft-pedals the degree to which consumers value their gas supply.

Your document page 30 states, "*surveys have found that although electricity may be cheaper, some consumers still favour gas for heating and cooking.*"

And again: "*The cost of switching to electric appliances in existing buildings is likely to come down over time; however, surveys have found that although electricity may be cheaper, some consumers still favour gas for heating and cooking.*"

These statements about gas being more expensive are contested. A comparison by [Canstar albeit in 2018](#) , showed gas running costs can be 30 to 45 per cent lower than their electricity counterparts and that's not including the thousands of dollars it would cost to convert your home from gas to electricity.

I'd also argue the descriptor of 'some consumers' is a considerable understatement, and I wonder what the source is for this claim.

While this submission is solely my own, I have worked alongside the Brighter campaign to ventilate issues about natural gas and its use.

A recent national survey conducted in April found a considerably stronger attachment than 'some':

- *62% of Victorians would rather buy/rent somewhere else if they can't access mains gas*
- *51% of Victorians will use a gas heater as their primary way to keep warm this winter over the electric heater (32%), wood burner (9%) and the doona (8%).*

3 Why replace lower emissions gas with non-renewable electricity?

In asking in your document, "Is electricity a substitute?" and then stating "Renewable energy is supplying a rapidly growing share of Victoria's electricity", you fail to clarify if the electric substitute will indeed be 'green'.

Figures not from your document but Environment Victoria's website state, *"By 2020, 25 percent of Victoria's electricity will come from clean, renewable energy. By 2025, that will rise to 40 percent."*

So by the time the roadmap gets an outing, the amount of renewables in the state's power system will be under 50%, hardly a compelling reason for a household to jettison gas altogether, even for environmental reasons.

More than half of their heating may come from brown coal and not the existing lower-emission natural gas.

4 Is it really cheaper and more efficient to switch?

The document claims that shifting from gas to electric use saves emissions and money for the consumer. On page 29, it states, *"Electrical appliances are much more efficient than gas appliances for a range of household and commercial uses."* (my emphasis)

There is greater disclosure with the following statement *"The relative affordability of replacing gas with electric appliances varies, depending on whether the building has rooftop PV, the age of existing gas appliances, and the appliance energy efficiency ratings. In most cases, it is cheaper to establish new homes as all-electric now."*

I would argue in many cases, it's cheaper for the consumer to stay put if they are connected to gas mains. Consumers have voted with their feet, and without various subsidies and incentives, it remains to be seen how many would voluntarily switch.

5 Why erode natural gas infrastructure when it can deliver green hydrogen and biogas in future?

The roadmap includes routes to hydrogen and biogas utilisation, which can progressively adapt to existing natural gas networks. If both the pipes and the appliances can be used for cleaner energy such as hydrogen, why would we seek to decommission/dump them? There are moves to remove the mandatory connection of new properties to the gas mains in the ACT. Apart from the policy not being known to many gas users, it makes no sense given the probability they'll be needed for these new sources of carbon-free gases.

You pose various **key questions** of which I shall address one:

What are the best ways to maintain social acceptability and consumer confidence?

Respect consumer choice and be transparent as to the actual costs of replacement appliances. New technologies such as hydrogen boilers will come but predictably will take longer and cost more than some predictions.

Who am I?

I don't formally represent any consumers, but I seek to raise issues on behalf of those whose voices are not usually heard. In this case, not one sector of the group, i.e. vulnerable people, but for some of the two million households, gas-using households in Victorian in general.

As the founder of a national initiative called [Determined Consumer](#) I am mindful this roadmap may influence other states and territories. We have seen in the ACT moves to end mandated gas connections to new buildings all well below the average consumers' radar.

Due to this personal interest, I have consulted with Brighter, a campaign to raise awareness of natural gas use funded by APPEA. These views, however, are my own.

I am supportive of the need for our transition cleaner energy future. As key players in any change, consumers must be aware and clearly and honestly consulted about both the costs and benefits of any policy change.

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