

**Economics Legislation**  
Answers to questions on notice  
**Climate Change, Energy, the Environment and Water Portfolio**

**Inquiry:** Inquiry into the Competition and Consumer (Gas Market Code) Regulations 2023

**Question No:** IQ23-000258

**Hearing Date:** 21 September 2023

**Division/Agency:** Gas and Liquid Fuels Division

**Topic:** AEMO's GSOO forecasts

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**Question Date:** 21 September 2023

**Question Type:** Written

**Senator Nick McKim asked:**

What are the causes of AEMO's GSOO forecasts of a 20% decline in domestic gas demand over the decade?

**Answer:**

The Australian Energy Market Operator's (AEMO) 2023 Gas Statement of Opportunities (GSOO) forecasts a 23% decline in domestic gas demand on the east coast (excluding gas for liquified natural gas (LNG)) export over the next decade (2023-2032) under its Orchestrated Step Change Scenario.

AEMO attributes this decline to:

- A 49% reduction in demand from gas powered generation (GPG), from 143 PJ in 2023 down to 73 PJ in 2032.
  - AEMO notes that while gas volumes for GPG are forecast to decline, the key role for gas generation will be to provide flexible and firm electricity supply, albeit less frequently than occurred historically, but with greater importance to maintain NEM reliability.
- A 29% reduction in residential and commercial demand, from 193 PJ in 2023 down to 136 PJ in 2032.
  - Drivers of reduced gas demand include electrification, hydrogen adoption and energy efficiency improvements.
- A 3% reduction in industrial demand, from 242 PJ in 2023 down to 234 PJ in 2032.
  - Gas is used in the industrial sector for process heat and or as a manufacturing feedstock. These uses are currently more difficult to switch away from gas.