**GAS STATEMENT OF OPPORTUNITIES**

The 2017 Gas Statement of Opportunities (GSOO) uses the demand forecast contained in AEMO’s 2016 National Gas Forecasting Report, (NGFR) and supply, interconnector and pipeline information, to report a series of scenarios that outline the need for additional gas and electricity infrastructure to meet demand.

**FORECAST GAS AND ELECTRICITY SHORTFALLS**

Additional gas production will be required to meet the needs of gas-powered generation and residential, commercial and industrial gas consumers.

**GAS PRODUCTION IS DECLINING**

Information from producers indicates domestic gas production is in decline.

The forecast decline: Production decline is most apparent in offshore Victoria. Victorian production is forecast to reduce by 38% between 2017–2021.

To meet forecast gas demand, increased supply from existing fields and/or exploration and development of new fields is required.

Yet… the number of oil and gas wells drilled in Australia has halved since 2014.

**WHAT ARE THE IMPACTS ON ENERGY SECURITY AND CONSUMERS?**

Even if more gas is produced, this may not translate to lower gas prices. Existing, low cost gas reserves are in decline and sourcing and extracting new gas is more difficult and costly.

**FINELY BALANCED MARKET**

The shortfalls may occur in:

- South Australia, New South Wales, and Victoria

**HIGH GAS PRICES MAY HAVE NEGATIVE IMPACTS**

- Projected shortfalls:
  - Across South Australia, New South Wales, and Victoria
  - 2019–2024

**INTERDEPENDENCIES – WHY GAS AND ELECTRICITY GO TOGETHER**

- The convergence of energy markets demands a single energy view – gas and electricity markets can no longer be viewed in isolation. Holistic planning is required across the entire supply chain to deliver energy security.

- This interdependence will only increase as gas plays a pivotal role as a transition fuel in Australia’s lower emissions future.

**ABOUT AEMO**

This infographic for the 2017 Gas Statement of Opportunities has been developed by the independent Australian Energy Market Operator (AEMO). AEMO plans, develops, and operates markets that are responsive to energy sector needs and support investment for the long-term benefit of Australian consumers.

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