

# Fact Sheet:

## Cutting gas demand could fill the gas supply gap, ease the cost of living, and slash emissions

We modelled nine simple interventions to shift from gas to electricity and improve energy productivity in homes and industry in southern states (NSW, ACT, VIC, SA, TAS). We found:

Gas demand could be profitably reduced by about 40% by 2030, and about 80% by 2040



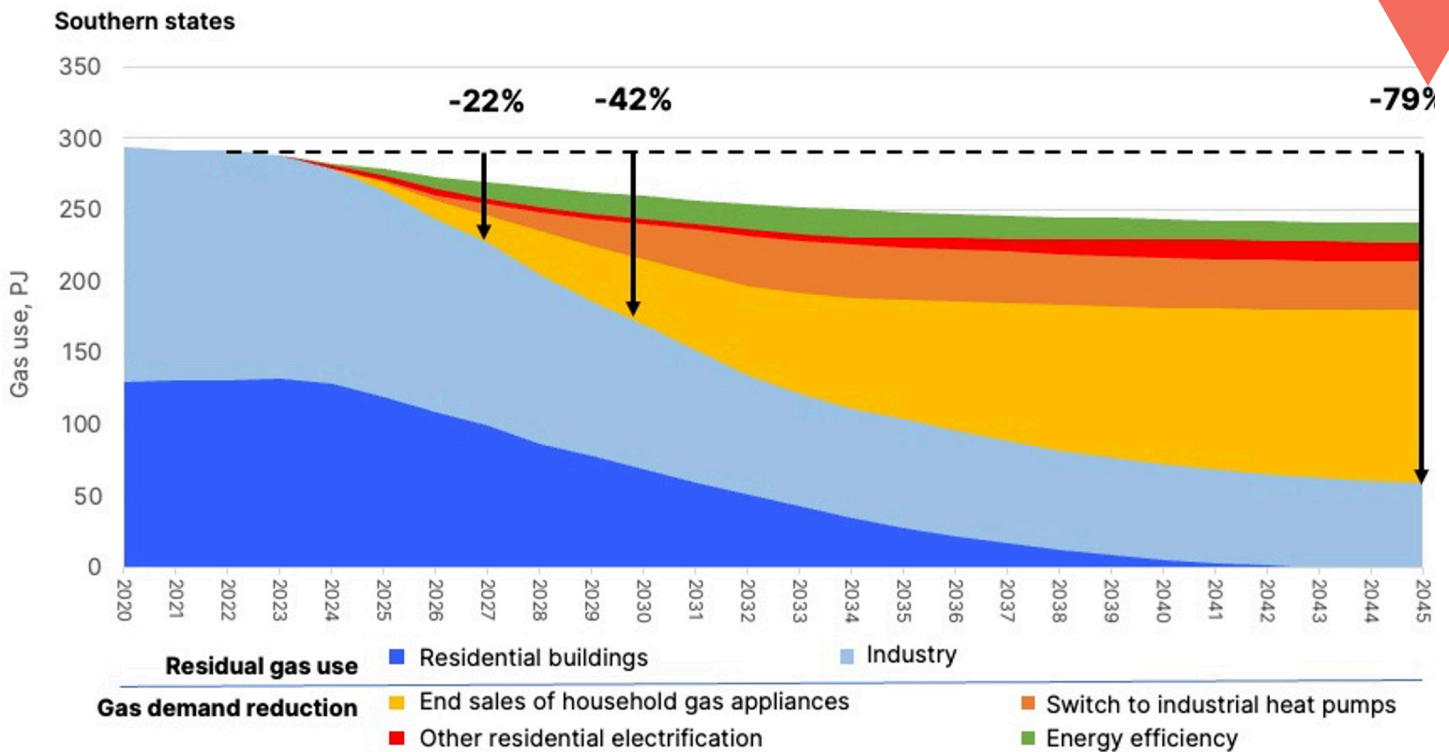
The largest opportunity is to electrify home appliances, followed by industrial heat pumps



The demand reduction could fill the upcoming gas supply gap or at least defer it by a decade



Efficient electrification would limit the rise in electricity usage (~4% in VIC, 1.3% elsewhere), which can be offset by energy efficiency measures



### Download our reports

[ieefa.org](https://ieefa.org)

**Reducing demand - A better way to bridge the supply gap**



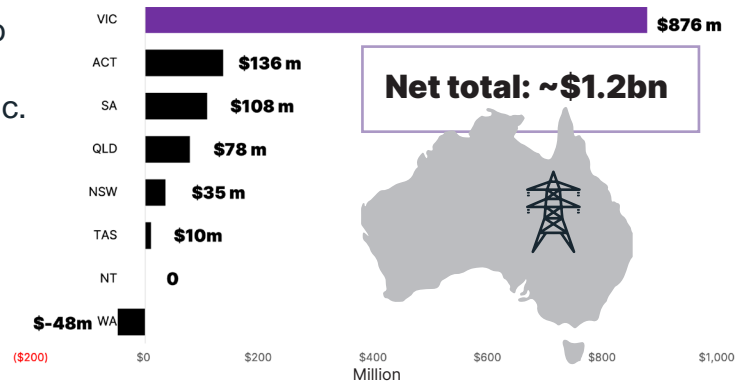
**Managing the transition to all-electric homes**



# Each year of delay on residential electrification costs consumers \$1.2bn

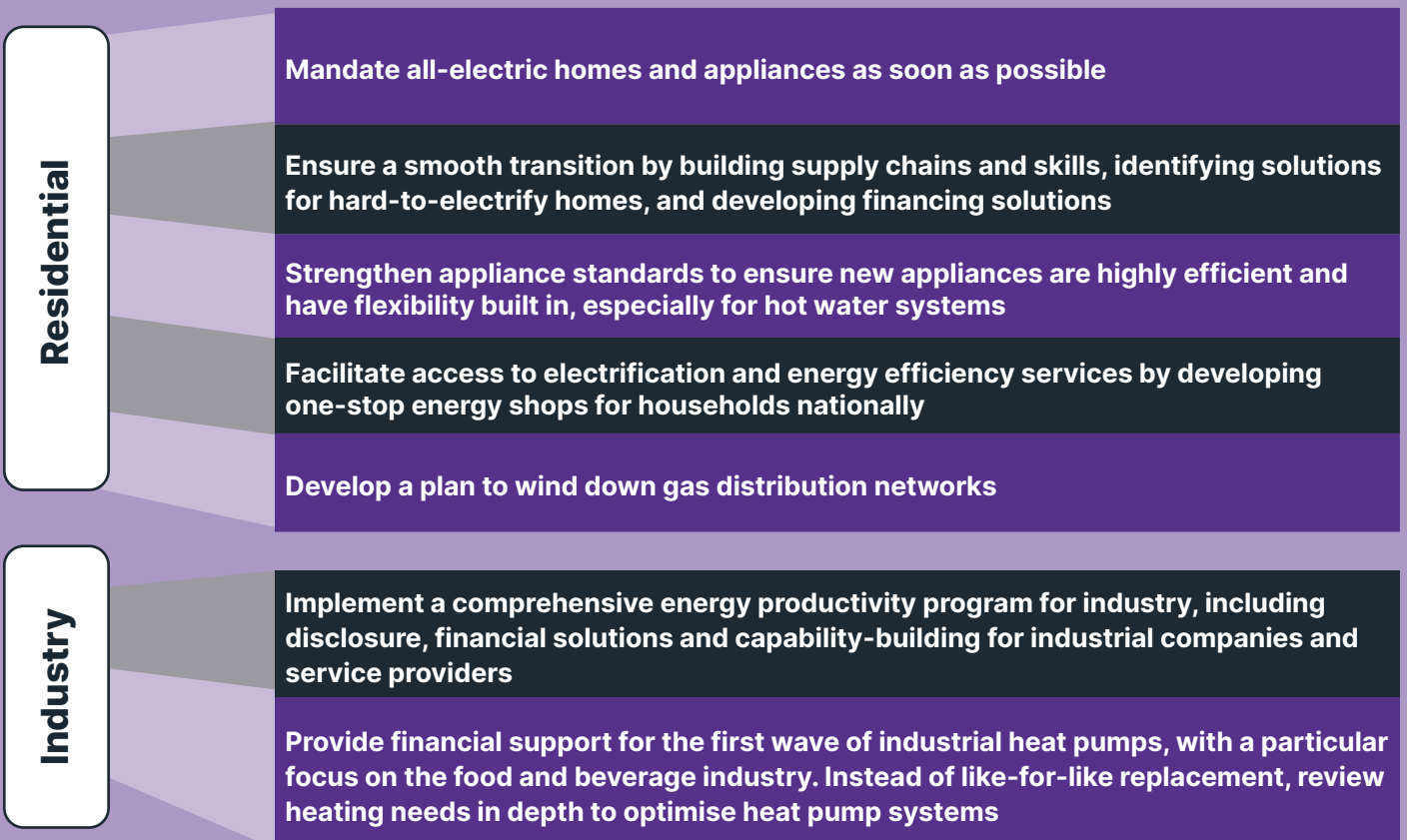
- Electrification is by far the most cost-effective solution to decarbonise homes.
- While electric appliances tend to be more expensive upfront, they are usually far cheaper to run. For example, we calculated a typical VIC household could save \$1,200 a year going electric.
- Each year about 940,000 gas appliances are installed in homes. Each year of delay moving to all-electric appliances costs households across Australia about \$1.2bn.
- Replacing end-of-life gas appliances with electric alternatives could almost eliminate residential gas by 2050 or earlier.
- Consumer savings will far outweigh the costs for gas networks. For example, VIC gas networks would face \$3.5bn in unrecovered costs, but households would save \$17bn.

Lifetime cost savings from switching to all-electric appliances (\$m/y)



## We need a managed approach to electrification

To capture these opportunities, and ensure an equitable, cost-effective transition, a range of interventions are required:



In addition, update energy-planning processes to address the bias towards supply-side solutions.

### About IEEFA

The Institute for Energy Economics and Financial Analysis (IEEFA) examines issues related to energy markets, trends and policies. The Institute's mission is to accelerate the transition to a diverse, sustainable and profitable energy economy.