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Natural gas is the best way to act now on greenhouse emissions

The synthesis report released by the Intergovernmental Panel on Climate Change (IPCC) this week provides not only a reminder of the need for global action to address climate change but also of the important role that natural gas will play in the transition to a low carbon economy.

Its report states there is robust evidence and high agreement that “GHG emissions from energy supply can be reduced significantly by replacing current world average coal-fired power plants with modern, highly efficient natural gas combined-cycle power plants or combined heat and power plants.”

While the IPCC recognises that Carbon Capture and Storage (CCS) may also play a role in enabling coal to be a part of a low carbon future, natural gas can have an impact right now.

Santos is helping achieve this and is able to play an increasingly significant role.

We have been providing natural gas safely and securely in Australia for 60 years and because of the global need for energy – especially in the Asia-Pacific – Santos has grown into a regional energy company. We have new and established projects in PNG, Indonesia and Vietnam.

But a really exciting part of what we’re doing is located here in Australia, where a new industry is being born. Our new projects will produce the same natural gas and use techniques Santos has been using safely for decades.

Increasingly, Asian economies are turning to natural gas to meet their rapidly increasing energy needs while reducing their carbon footprint.

Our LNG plant on Curtis Island near Gladstone, Queensland alone will provide nine per cent of the entire gas requirements of South Korea, and 11 per cent of Malaysia’s.

Every million tonnes of LNG that is used in Asia instead of coal to produce electricity is the equivalent carbon benefit of taking 900,000 cars off the road.

Santos’ LNG plant can produce up to 7.8 million tonnes of LNG per year – that is the equivalent of taking more than 7 million cars off the road every year.

Natural gas is already cutting global emissions and the US – a massive energy consumer – provides a real example of what is possible. At the end of 2012 US carbon emissions were the lowest they had been since 1994. That’s during a period in which its population has grown by 60 million people, and use of energy-hungry devices like smart phones and plasma TVs has rocketed.

They have achieved this primarily because electricity production in the US has become cleaner. One third of that transition to cleaner electricity was due to an increase in renewable and nuclear power whereas two thirds was due to fuel switching to natural gas.

President Obama in his State of the Nation Address last year declared natural gas the key to meeting US energy needs while moving to a lower carbon future.

This acknowledges that while we want low carbon energy, we can’t switch to 100 per cent renewables overnight.

The global energy mix will be diverse. Renewables must continue to grow. Nuclear power will continue to have its place. In many situations coal will continue to provide the cheapest energy and oil will likely remain the largest part of the global energy mix for some time.

But the energy bridging all of these other sources is natural gas.

It is without question the key to a cleaner energy future.

Natural gas is available, abundant, and cleaner. Its benefits and sustainability are backed by science.

Increasing use of natural gas can make immediate inroads into our emissions intensity.

David Knox
Managing Director & CEO, Santos Ltd