



# Life Course Centre

ARC Centre of Excellence for Children  
and Families over the Life Course

## The unexpected closure of the gas network in Esperance, Western Australia

A successful energy transition approach

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The Australian Research Council Centre of Excellence for Children and Families over the Life Course ([Life Course Centre](#)) is a national research centre investigating the critical factors underlying deep and persistent disadvantage to provide new knowledge and life-changing solutions, for policy, service providers and communities.

This documentation was done as part of broader body of research they are undertaking on equitable electrification. See more at [Energy Equity](#) on the Life Course Centre website.



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## Background

In September 2021, the Esperance Gas Distribution Company (EGDC) announced it could not commercially continue supplying gas and operating the reticulated gas network because its key customer, a gas power station, was being replaced. EGDC voluntarily surrendered their licence. This meant that the small regional town of Esperance in Western Australia would be disconnected from the state's gas network.

EGDC initially planned to cease operations in March 2022, but Horizon Power (HP), the state-owned energy utility, negotiated a 12-month extension to give Esperance customers time to transition to a new energy source (Government of Western Australia, 2023).

The closure was possible because small gas networks like Esperance's operate under "light-touch" regulation with fewer restrictions than major urban networks. In larger cities, strict regulations prevent gas companies from disconnecting entire towns or streets unless every affected customer requests it. This type of complete network shutdown is unlikely to occur in metropolitan areas.

The closure affected approximately 400 customers. This included 312 residential customers (including government-owned housing) (Horizon Power, 2023).

## Horizon Power's Response

HP is a vertically integrated utility, which is responsible for electricity generation, transmission, distribution and retail services in Western Australia outside the state's more populous southwest. HP stepped in with an electrification program – making the decision that converting current reticulated gas customers to alternative longer-term energy solutions would offer the greatest benefits for customers and the broader community, with the least risks.

HP implemented the **Esperance Energy Transition Plan**. For residential customers this included:

- **Financial assistance:** \$10.5 million in State government funding provided financial assistance for existing gas customers to remove their gas appliances and replace them with electric alternatives (Government of Western Australia, 2023), including installation costs and electrical work, and removal of existing appliances. Funding was provided for:
  - Like-for-like electric replacements (gas cooktop replaced with electric cooktop, etc.). Some customers took the opportunity to upgrade an appliance above the like-for-like standard, which required customers to pay the gap. For example, some upgraded to more efficient induction cooktops after cooking demonstrations.
  - Converting existing appliances to bottled liquified petroleum gas where electrification was not feasible or, in some cases, where a customer had a strong preference for their gas appliances.
- **Local champions** helped convey the message of the change and the assistance available. Celebrity chef demonstrations of induction cooking helped customers understand new technologies.
- **Customer support:** Dedicated phone lines, email support, and one-on-one assistance with connecting customers to tradespeople



- **Flexible options:** Customers could choose electrification or conversion to bottled gas if electrification wasn't feasible
- **Direct payment:** HP paid tradespeople directly for approved transition work (once customer indicated they were satisfied) and provided training where needed. 88% of residential transitions were completed by local trades.

The government-funded project had an average connection cost of \$27,400 per household (Energy Consumers Australia, 2022). All-electric households were expected to save an average of 38% on their energy bills (Horizon Power, 2023) and emissions were halved following electrification.

### The transition was successful

- From April 2022 to March 2023, HP supported residential, business and government customers in Esperance to transition from reticulated gas to an alternative energy source
- 304 residential transitions were completed, with nine out of ten choosing a full or partial electrification solution. 75% chose a full electrification solution.
- The gas network was successfully shut down on March 31, 2023, with the majority of customers already transitioned.
- 38% of business customers transitioned to 100% electric solutions, with most going to bottled gas or a mix of electric/LPG appliances
- Customer satisfaction as reported by Horizon Power post project was 94% (Horizon Power, 2023)

The initiative was the first complete town electrification of its kind in Australia. The Esperance case shows that completely shutting down a gas network is both technically possible and socially acceptable under the right conditions – especially in smaller towns with less regulation. The success of the program suggests that with proper financial and non-financial support, communities can successfully move away from gas infrastructure.

### References

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