



Media Release

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Integrating renewable energy into the oil and gas industry

Australian oil and gas company Santos will begin converting the pumps on their oil wells to solar and battery power, as part of an Australian-first trial that will reduce emissions from oil production.

On behalf of the Australian Government, the Australian Renewable Energy Agency (ARENA) has today announced \$4.2 million in funding to Santos to convert 56 remote crude oil beam pumps to solar and batteries after a successful Australian first pilot installation.

Solar PV - totalling 3.2 MW - and batteries will be installed at the 56 oil wells across the Cooper Basin in South Australia and Queensland to supply each site with 100 per cent renewable energy.

The trial is the next step towards commercialising the technology by providing adequate scale needed to achieve supply chain and execution synergies, and allowing the trial multiple suppliers to reduce unit costs.

The \$16 million project will be ARENA's first off-grid project with the oil and gas industry, and ARENA's first off-grid project that involves switching to 100 per cent renewables.

If the ARENA-funded trial is successful, Santos will look to convert an additional 151 pumps across the Cooper Basin to solar and batteries. By converting all 208 sites, this would save 140 barrels of oil a day currently used to fuel the pumps.

The project could see increased confidence that renewable energy provides the reliability required for resources applications and see other companies follow suit.

ARENA CEO Darren Miller said the project would complement ARENA's previous work with the resource sector, and could also have broader applications in remote areas.

"Assisting the resources sector in turning to renewable alternatives is something we're extremely proud of," Mr Miller said.

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“Santos will be ARENA’s first off-grid project with the oil and gas industry, building upon our previous support for implementing renewable energy at remote operations around Australia.

ARENA has previously supported a solar farm at Weipa and a solar and battery project at the Degruusa Copper and Gold Mine, and has funded a range of other off-grid projects.

“The project paves the way for Santos to convert further crude oil engine beam pumps in the Cooper Basin area, resulting in a significant part of their operations run entirely on renewables and providing a broader opportunity and test case for deployment to thousands of other sites in the Australian oil and gas sector as well as in other sectors in remote areas,” he said.

Santos Managing Director and CEO Kevin Gallagher said this Australian-first idea came from the company’s Energy Solutions team, which is dedicated to finding innovative ways to reduce Santos’ carbon footprint and prepare the business for a lower carbon future.

“The solar beam pumps will reduce emissions and waste from oil production with 140 barrels more per day saved,” Mr Gallagher said.

“Our own consumption of fuel in the Cooper Basin is equivalent to about 5 per cent of East Coast domestic gas demand so if we can extend our use of renewables to our gas operations, we can also free up more natural gas for sale, which is a good way to put downward pressure on gas prices.”

“The solar beam pump is also a perfect demonstration of Santos’ strategy to become Australia’s safest, lowest cost onshore operator in action,” Mr Gallagher said.

“Renewables will help reduce costs over time not only by reducing our fuel consumption, but also by eliminating the costs of transporting fuel by road over long distances to the oil wells.”