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Hydrogen potential for local gas networks in SA and Victoria

On behalf of the Australian Government, the Australian Renewable Energy Agency (ARENA) has today announced \$1.28 million in funding to Australian Gas Networks Limited (AGN), part of Australian Gas Infrastructure Group (AGIG), to establish the Australian Hydrogen Centre which will investigate blending hydrogen into natural gas pipelines in South Australia and Victoria.

The project will undertake feasibility studies and share knowledge focused on the integration of hydrogen into existing gas networks.

As part of the project, the Australian Hydrogen Centre will explore the feasibility of blending 10 per cent hydrogen into the existing natural gas networks in regional towns that will be selected during the study, including the potential coupling of gas networks with electricity transmission networks.

The Australian Hydrogen Centre will also work on feasibility studies focused on 10 per cent blending into the entire state gas networks in South Australia and Victoria. This work will also consider the feasibility of converting the state gas networks to 100 per cent hydrogen.

The outcomes of the studies will address the technical, economic and regulatory hurdles for blending hydrogen into natural gas networks and support subsequent detailed feasibility and design to support an investment decision.

The Australian Hydrogen Centre will also be supported by the South Australian and Victorian Governments, as well as AusNet Services, ENGIE and Neoen.

The project is seen as the next step to AGN's power-to-gas demonstration facility at the Tonsley Innovation District in Adelaide (Hydrogen Park SA) which was co-funded by the South Australian Government's Renewable Technology Fund. This project will demonstrate a 5 per cent hydrogen blend in gas distribution to 710 properties in Adelaide when it begins in mid 2020.

ARENA CEO Darren Miller said: "The natural gas network could be a key piece of infrastructure to support decarbonisation of the national energy system. The network has the potential to be used for the long-term storage of renewably produced hydrogen and limit the need for electrification alternatives, which can be costly."

"The development of a local hydrogen sector will underpin the investment in technology and skills to support the long term export opportunity. These studies will go a long way to identifying the possibility of using and storing hydrogen in local gas networks."

AGN CEO Ben Wilson said: "AGN, as part of Australia's broader energy industry, has commenced the new decade with a strategy that aims to deliver substantial, measurable and world-leading outcomes in minimising the current and future carbon footprint across the whole of our gas distribution business."

"This public licence also requires total transparency so the studies will provide guidance as to both the best solution to deliver renewable gas into our networks while ensuring full engagement with all stakeholders and consumers about this step-change in Australian energy delivery."

The feasibility studies are expected to be completed in January 2022.