

15 APRIL 2020

ARENA opens \$70 million hydrogen deployment funding round

On behalf of the Australian Government, the Australian Renewable Energy Agency (ARENA) has today announced the opening of the \$70 million Renewable Hydrogen Deployment Funding Round to help fast track the development of renewable hydrogen in Australia.

As announced in November last year, the funding round is expected to play a significant role in supporting commercial-scale deployments of renewable hydrogen in Australia and facilitate cost reductions in production in order to achieve the goal of 'H2 under \$2'.

The funding round aims to support two or more large scale renewable hydrogen projects, with electrolyzers of a minimum of 5 MW capacity, with a preference for 10 MW or larger. These projects will be expected to be among the largest electrolyzers in the world. Each project must be powered by renewable electricity, either directly or through power purchase agreements or large scale generation certificates.

ARENA is inviting expressions of interest for large-scale renewable hydrogen projects across a range of industries and end uses. Shortlisted projects will be invited to submit full applications later in 2020, with the aim of awarding funding by the end of the year.

The Renewable Hydrogen Deployment Funding Round follows the release of the National Hydrogen Strategy last year and is in line with the Australian Government's focus on growing an innovative, safe and competitive hydrogen industry in Australia. The funding round will also help to stimulate jobs and economic growth through the application stage of the funding round as well as the construction and ongoing operation of projects.

To date, ARENA has already committed over \$55 million in funding to support pre-commercial activities including power to gas and renewable ammonia and has invested in feasibility studies for commercial-scale deployments of hydrogen including Dyno Nobel, Queensland Nitrates, Yara and Stanwell. The preliminary feasibility outcomes indicate a significant commercial gap and it is expected that grant and concession funding will be required for hydrogen production facilities in the short to medium term.

ARENA CEO Darren Miller said the funding round is a significant step in progressing the commercialisation of hydrogen production in Australia and opening up domestic and international hydrogen market opportunities.

"With this significant investment we expect to take the sector to the next level. We've supported a range of feasibility studies and pilot projects over the past two years, but now we need to start the journey of producing hydrogen at scale.

"To take advantage of hydrogen's potential, we need to increase the scale and reduce the costs of electrolyser installations in Australia. Through this round, ARENA aims to share knowledge on technical and commercial parameters for commercial-scale renewable hydrogen production for domestic and international markets," he said.

Liquefied hydrogen, or hydrogen carriers like ammonia, are potentially a way for Australia to export renewable energy. Hydrogen can be produced via electrolysis – a process that separates water into hydrogen and oxygen, and when produced using renewable electricity, is entirely emissions-free.

At present, hydrogen is used in the industrial and chemical sectors and is derived primarily from natural gas. In the future, hydrogen will be used in a range of applications including industrial processes, household appliances, remote power, transport, for greening or storing energy in our existing gas network.

"Australia is well placed to become a major renewable hydrogen producer and exporter. We are blessed with some of the world's best wind and solar resources, a large sparsely populated landmass, and as a major energy and resources exporter, we are already an experienced and trusted trading partner for countries like Japan and South Korea that will be the future hydrogen importers," Mr Miller said.

Expressions of interest are now open until Tuesday 26 May (5pm AEST) via ARENA's [website](#).

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