



MEDIA RELEASE

8 MAY 2020

BP Australia study looks to scale up renewable hydrogen for export

On behalf of the Australian Government, the Australian Renewable Energy Agency (ARENA) has today announced \$1.71 million in funding to BP Australia Pty Ltd (BP Australia) to assess the feasibility of building a renewable hydrogen and ammonia production facility in Geraldton, Western Australia.

BP will be supported by GHD Advisory to deliver the \$4.42 million feasibility study, which will investigate producing renewable hydrogen using electrolysis. Under the study, BP would use grid connected power and procure renewable electricity through a power purchase agreement (PPA). Renewable hydrogen would then be used instead of natural gas to produce renewable ammonia.

The study will generate findings to better understand the technical and financial implications of a fully integrated renewable hydrogen supply chain. Furthermore, it will analyse the economic opportunity presented by renewable hydrogen and determine how it can be scaled-up to satisfy future demand.

BP's concept aims to produce approximately 20,000 tonnes of renewable ammonia from the facility per year for domestic use. It will also pursue export opportunities by leveraging existing trade relationships.

BP selected Geraldton as the preferred location for the project due, in part, to its vast solar and wind resources, existing port infrastructure and proximity to large, long-term Asian markets.

ARENA CEO Darren Miller said renewable hydrogen represents a significant future economic opportunity for Australia.

“Australia is a key market for BP and other companies to progress their strategic developments for the future renewable hydrogen industry because of our abundant renewable energy resources and established trade partners.”

“This study presents an important opportunity to support heavy industry to reduce its emissions. Early investments in feasibility studies like this will help us to realise the opportunity that renewable hydrogen represents and will ultimately help us to achieve our goal of producing renewable hydrogen and ammonia at a competitive price.” Mr Miller said.

BP Chief Operating Officer - Asia Pacific, Frédéric Baudry said “BP believes that ‘green’ hydrogen, produced using renewable energy, will play an increasingly important role, particularly in parts of the world with high renewable energy potential, such as Western Australia.”

ARENA has committed over \$55 million towards hydrogen initiatives so far, including over \$22 million to R&D projects, and almost \$28 million to demonstration, feasibility and pilot projects.

ARENA announced in November 2019 that it would commit up to \$70 million in funding to a Hydrogen Deployment Competitive Funding Round in 2020. In early 2020 ARENA held public consultation and information forums across Australia. Applications for the funding round opened on 15 April 2020 and will close on 26 May 2020.

BP Australia's feasibility study is expected to be completed by February 2021.