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Hydrogen Headstart consultation process now underway

Consultation has opened today on the Australian Government's \$2 billion Hydrogen Headstart program.

On behalf of the Australian Government, the Australian Renewable Energy Agency (ARENA) and Department of Climate Change, Energy, the Environment and Water (DCCEEW) have commenced consultation for the design of the flagship hydrogen program.

Announced in the 2023 federal budget, Hydrogen Headstart will deliver a step change in Australia's renewable hydrogen production by underwriting some of the largest electrolyser deployments in the world.

The program is intended to bridge the commercial gap for early projects and put Australia on course for up to a gigawatt of electrolyser capacity by 2030.

ARENA and DCCEEW have published a consultation paper outlining indicative specifications for the program. The consultation paper covers proposed objectives, eligibility criteria and funding mechanism, as well as other features of the program.

The consultation paper proposes to support projects with a hydrogen production credit delivered over ten years, bridging the gap between the cost of hydrogen produced and the sales price of hydrogen or its derivative products.

ARENA and DCCEEW will be accepting written submissions, hosting an information webinar and running in person consultation forums in Sydney and Perth.

Since 2017, ARENA has been at the forefront of developing a renewable hydrogen industry in Australia. To date, ARENA has invested more than \$255 million in 44 hydrogen projects spanning research and development, feasibility and engineering studies, electrolyser deployments, vehicle refuelling and more.

In June 2023, ARENA announced that the second of Australia's 10 MW electrolyser deployments, Australian Gas Infrastructure Group's Hydrogen Park Murray Valley reached financial close.

ARENA CEO Darren Miller said the consultation would reveal the best pathway to a thriving renewable hydrogen industry.

"ARENA was pleased to see the Australian Government recognise our expertise in renewable hydrogen by calling on us to co-develop the Hydrogen Headstart program," Mr Miller said.

"The consultation paper we've launched today will kick off discussions about how Hydrogen Headstart can best deliver for the Australian public.

Australia has all the ingredients to be a global leader in renewable hydrogen. Together with DCCEEW, we'll be consulting widely with industry and other stakeholders to hear their views and inform what will be a transformative scale up of Australia's renewable hydrogen capacity."

The Hydrogen Headstart consultation paper and information on the consultation process can be found at <https://consult.dcceew.gov.au/hydrogen-headstart-program-consultation>

Following the consultation period, ARENA and DCCEEW will develop the final program design.