

10 November 2022

Energy Policy WA
Department of Mines, Industry Regulation and Safety
Government of Western Australia

Via: EPWA-info@dmirs.wa.gov.au

Energy Networks Australia's response to Consultation – WA Renewable Hydrogen Target

Dear Secretariat

Energy Networks Australia welcomes the opportunity to provide a response to the Consultation Paper titled: *“Renewable Hydrogen Target for electricity generation in the South West Interconnected System”*.

Energy Networks Australia is the national industry body representing Australia's electricity transmission and distribution and gas distribution networks. Our members provide more than 16 million electricity and gas connections to almost every home and business across Australia.

ENA supports measures to reduce emissions from the energy sector as noted in our Energy Vision¹. Energy networks are key to delivering a net zero emissions energy system. Our gas network members are working on renewable gas solutions that can support Australia's decarbonisation efforts. Progress on projects and detailed actions to increase the level of renewable gas in Australia's gas networks are outlined in Gas Vision 2050².

We understand that there could be two hydrogen targets under development within WA. The current consultation round focusses on a hydrogen target for electricity generation and another process appears to focus on a hydrogen blend target for gas distribution networks. From a whole of system perspective, it would be helpful to better understand if and how those different policy measures can interact.

A hydrogen target, when introduced with appropriate financial incentives and certification schemes, can build demand for hydrogen leading to cost reductions, market activation and further demand growth. Australia has implemented different target schemes such as the Renewable Energy Target, the NSW Greenhouse Gas Abatement scheme and state based energy efficiency schemes. Through Future Fuels CRC, ENA is involved in a research project to learn from these historic schemes and to inform the design of a renewable gas target, which could be applied to hydrogen or biomethane or both. We would welcome the opportunity to further engage with Energy Policy WA as this research project continues.

Within WA, ATCO has been blending hydrogen onsite since 2019³. They are currently expanding this hydrogen blending project to include the local network near Jandakot. The Australian Gas Infrastructure Group has completed a feasibility study to determine how hydrogen could be stored and/or transported

¹ <https://www.energynetworks.com.au/energy-vision-networks-delivering-net-zero/>

² <https://www.energynetworks.com.au/projects/gas-vision-2050/>

³ <https://www.atco.com/en-au/projects/hydrogen.html>

in the Dampier Bunbury pipeline⁴. APA group is also undertaking a pre-feasibility study to assess the viability to produce and transport green hydrogen via APA's Parmelia Gas Pipeline in WA⁵.

The gas distribution industry in WA is well positioned to create opportunities for blending hydrogen within its natural gas supply. Levels of up to 10 per cent by volume can typically be blended within natural gas blends with no noticeable difference to the end user experience and create a demand for hydrogen production.

Should you have any queries or wish to discuss this further, please contact ENA's Head of Renewable Gas, Dr Dennis Van Puyvelde, dvanpuyvelde@energynetworks.com.au.

Yours sincerely,



Dominic Adams

General Manager, Networks

⁴ <https://www.agig.com.au/western-australian-feasibility-study>

⁵ <https://www.apa.com.au/news/media-statements/2022/australias-first-potential-conversion-of-a-gas-transmission-pipeline-to-pure-hydrogen-a-step-closer/>