



10 February 2023

## **Submission: *Hydrogen and Renewable Energy Act***

The Australian Pipelines and Gas Association (APGA) represents the owners, operators, designers, constructors and service providers of Australia's pipeline infrastructure, connecting natural and renewable gas production to demand centres in cities and other locations across Australia. Offering a wide range of services to gas users, retailers and producers, APGA members ensure the safe and reliable delivery of 28 per cent of the end-use energy consumed in Australia and are at the forefront of Australia's renewable gas industry, helping achieve net-zero as quickly and affordably as possible.

APGA welcomes the opportunity to contribute to the consultation on the South Australian Government's proposed *Hydrogen and Renewable Energy Act* (HRE Act).

APGA supports a net zero emission future for Australia by 2050<sup>1</sup>. Renewable gases represent a real, technically viable approach to lowest-cost energy decarbonisation in Australia. As set out in Gas Vision 2050<sup>2</sup>, APGA sees renewable gases such as hydrogen and biomethane playing a critical role in decarbonising gas use for both wholesale and retail customers. APGA is the largest industry contributor to the Future Fuels CRC<sup>3</sup>, which has over 80 research projects dedicated to leveraging the value of Australia's gas infrastructure to deliver decarbonised energy to homes, businesses, and industry throughout Australia.

The proposed HRE Act is a comprehensive body of work, aiming to address issues for a burgeoning local hydrogen industry around competitive access to pastoral (Crown) land, a lack of a coordinated approach to development applications, and insufficient support for sequential land use. Where the existing frameworks encourage fragmented approach, the aim of the HRE Act focuses on principles of government-led, competitive tendering, which is important given that renewable energy can be co-located in areas where mineral exploration or primary industries otherwise have primacy.

Overall, APGA believes that the proposed HRE Act is a positive way forward in opening the hydrogen industry in South Australia. There are several aspects of the scheme on which we would like to comment:

### **Aboriginal land**

Consideration of coexistence with Native Title, preservation of Aboriginal heritage and maximising benefits for Aboriginal people has been placed at the forefront of decision-

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<sup>1</sup> APGA, *Climate Statement*, available at: <https://www.apga.org.au/apga-climate-statement>

<sup>2</sup> APGA, 2020, *Gas Vision 2050*, [https://www.apga.org.au/sites/default/files/uploaded-content/website-content/gasinnovation\\_04.pdf](https://www.apga.org.au/sites/default/files/uploaded-content/website-content/gasinnovation_04.pdf)

<sup>3</sup> Future Fuels CRC: <https://www.futurefuelscrc.com/>

making under the HRE Act. APGA agrees with this approach and appreciates that the rights of Aboriginal landholders is given primacy in the HRE Act.

### **“One window to government”**

The “one window to government” design of access scheme for Crown land replicates the very effective mechanism in operation under the *Petroleum and Geothermal Energy Act 2000*. APGA is pleased to see this design; we believe this is an important to ensure that exploration rights and infrastructure licenses are granted on an open, competitive basis, with simplified, transparent and streamlined land access and development application processes.

### **Technological agnosticism**

APGA appreciates that because of the “One window to government” approach, the proposed design of the HRE Act does not preference renewable electricity over renewable gases, even behind the meter. It is important in pursuing least-cost decarbonisation that powerlines and pipelines face an equal regulatory burden to be truly competitive, with decisions made on a commercial rather than strictly technological basis.

### **Biomethane**

APGA observes that the proposed HRE Act specifically does not cover biomethane as a renewable energy source (renewable gas). We do not have a recommendation as to whether it would be appropriate to consider including biomethane in the HRE Act, but would like to note that the HRE Act, or a future Act, should consider extending the benefits of the “one window to government” land access and licensing scheme to biomethane.

### **Tenure agreements**

For existing pipelines, existing tenure agreements with freehold landowners, which are a condition of those licences, may specifically restrict easements for those pipelines to the carriage of “naturally-occurring hydrocarbons”. This may specifically preclude the carriage of hydrogen, and thus necessitate the renegotiation of tenure agreements along the length of the pipeline to permit their conversion for the carriage of hydrogen, either in a blend or in pure form.

APGA would like to draw attention to this issue, though we appreciate that this is beyond the scope of the HRE Act and may require further and separate consideration.

To discuss any of the above feedback further, please contact me on +61 422 057 856 or [jmccollum@apga.org.au](mailto:jmccollum@apga.org.au).

Yours Sincerely,



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