



3 August 2023

Submission: Hydrogen Headstart

The Australian Pipelines and Gas Association (APGA) applauds the federal governments' commitment to securing the foundation of an Australian renewable gas industry through the Hydrogen Headstart program. Once founded, an Australian renewable gas industry has the potential to achieve net zero gas by 2050 through implementation of a Renewable Gas Target.

Increasing hydrogen production facility scale is critical to reducing hydrogen cost. The relatively high 50 MW minimum size threshold for Hydrogen Headstart eligibility will support this outcome. However, mandating large scale production comes at the risk of being unable to find sufficiently large-scale customers – referred to as the *chicken and egg* problem.

Hydrogen pipelines are the solution to the Hydrogen Headstart chicken and egg problem.

Hydrogen pipelines can allow multiple smaller hydrogen customers to share hydrogen produced by a single larger facility. Further, by using hydrogen pipelines designed to include hydrogen storage within the pipeline, hydrogen customers can access low-cost energy storage as well as low cost energy transport¹. This allows for lower cost hydrogen production from behind the meter renewable generation firmed through hydrogen pipeline storage; or least cost hydrogen storage to support variable hydrogen demand.

APGA recommends any project proponent having trouble finding sufficiently large hydrogen customers for their Hydrogen Headstart eligible project consider supplying multiple, smaller hydrogen customers via hydrogen pipelines.

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

Yours Sincerely,

A handwritten signature in dark ink, appearing to read "JM", is positioned above the typed name.

JORDAN MCCOLLUM
National Policy Manager
Australian Pipelines and Gas Association

¹ APGA, 2022, *Pipelines vs Powerlines: a summary*, available at https://www.apga.org.au/sites/default/files/uploaded-content/field_f_content_file/pipelines_vs_powerlines_-_a_summary.pdf

GPA Engineering, 2022, *Pipelines vs Powerlines: A Technoeconomic Analysis in the Australian Context*, available at: https://www.apga.org.au/sites/default/files/uploaded-content/field_f_content_file/pipelines_vs_powerlines_-_a_technoeconomic_analysis_in_the_australian_context.pdf

About

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.