

COAG HYDROGEN WORKING GROUP – WORKPLAN AUGUST 2019

(This document should be read in conjunction with the proposal for a national hydrogen strategy presented to the COAG Energy Council in December 2018 by the Chief Scientist, Dr Alan Finkel AO).

Establishment of the Hydrogen Working Group of COAG Energy Council

Hydrogen presents a major opportunity for the Australian economy. The COAG Energy Council seeks to support the development of a clean, innovative and competitive hydrogen industry that benefits all Australians and is a major global player by 2030.

At its meeting on 19 December 2018, Council agreed to establish a dedicated Working Group, chaired by the Chief Scientist, to lead activities that achieve this vision.

The Working Group will have six work streams: hydrogen exports; hydrogen for transport; hydrogen in the gas network; hydrogen for industrial users; hydrogen to support electricity systems; and cross-cutting issues.

Key priorities for the Working Group include developing a national hydrogen strategy for 2020-2030, and a co-ordinated approach to projects and programs that support industry development.

National Strategy

The Working Group will develop a comprehensive and ambitious national strategy for the development of an Australian hydrogen industry, to be considered by Council in December 2019. Policies and measures included in the strategy will reflect these principles:

- Be ambitious
- Prioritise safety and benefits to customers
- Have clear goals and objectives
- Use partnerships
- Be technology neutral
- Consider the distribution of costs and benefits for Australians
- Be commercially focussed
- Be consistent with sustainable environmental management

The national strategy will cover, but not be limited to, the topics listed in the workplan below.

The Working Group will work closely with industry, and take into account views of experts, end users, and environment and community groups. In considering policies and measures for the national strategy, the Working Group will have regard to international trends and best practices, reducing red tape and encouraging innovation. It will also consider potential co-benefits, like fuel security, regional development, and non-greenhouse gas air pollution.

Progress to date

The Working Group is grateful for strong support and enthusiasm from stakeholders to date as part of developing the national strategy. This has helped to inform research and to inform a comprehensive evidence base. In addition to attending a number of public events, broad stakeholder consultation has included:

- Releasing a discussion paper for public consultation in March. 120 responses were received (13 confidential).
- Conducting stakeholder roundtables across Australia in May and June. 11 sessions were held covering the themes of exports, gas networks, electricity systems, industrial users, transport, research and development, skills, finance, and guarantee of origin.
- Nine issues papers were released for public consultation in July, seeking feedback on the potential role of policies and actions in realising hydrogen opportunities. 76 submissions were received (17 confidential).

2019 ‘kick-start’ projects

Council, on the Chief Scientist’s advice, tasked the Working Group with carrying out three projects during 2019, to set the stage for implementation of the national strategy, and begin building Australia’s standing in international markets as a major player.

- The Gas Networks kick-start project has been investigating technical issues associated with blending up to 10% hydrogen into natural gas networks.
- The Exports kick-start project has attended a number of international events and forums to reach out to potential investors and trading partners
- The Transport kick-start has conducted some initial work to understand the potential for heavy vehicle refuelling infrastructure. Further work will be undertaken as part of finalising the strategy,

Focus for the remainder of 2019

Following further analysis, the Working Group will consider potential co-ordinated actions that may form part of the national strategy. A draft version of the strategy will be presented to Ministers for consideration in September.

Taking account of considerable and comprehensive consultation to date, the Working Group does not plan to conduct further formal consultations on the strategy during 2019. However, the Working Group will continue engaging with individual stakeholders to understand concerns and expectations as the strategy moves towards finalisation.

WORKPLAN

	National Strategy	Kick-start projects 2019
<i>Developing a hydrogen export industry</i>	<ul style="list-style-type: none"> Infrastructure requirements (physical & market) Regulation for safety and efficiency Inter-country agreements Bulk carriers 	<i>Co-ordinated international outreach to enhance Australia's profile with major trading partners as a potential supplier</i>
<i>Hydrogen in the gas networks</i>	<ul style="list-style-type: none"> Using hydrogen in the domestic gas network (initially at 10% and the potential for 100%) User and customer impacts Safety, metering and standards 	<p><i>Commencing work to allow up to 10 per cent hydrogen in the domestic gas network, both for use in place of natural gas and to provide at-scale storage for hydrogen.</i></p> <p><i>Project partner: Future Fuels CRC</i></p>
<i>Hydrogen for transport</i>	<ul style="list-style-type: none"> Regulatory change assessment Refuelling infrastructure needs study Assessment of potential for use in heavy vehicle, road and rail fleets and shipping Standards and safety 	
<i>Hydrogen to support electricity systems</i>	<ul style="list-style-type: none"> Potential of hydrogen to contribute to resilience of electricity markets Assessment of required regulatory changes 	
<i>Hydrogen for industrial users</i>	<ul style="list-style-type: none"> Hydrogen use potential in existing industries New industries using hydrogen 	
<i>Cross-cutting issues</i>	<ul style="list-style-type: none"> Standards, regulation and labelling Research and innovation Safety and community engagement Governance Hydrogen precincts and cities 	

