



# Green strategy for coal country

## EXCLUSIVE

### PERRY WILLIAMS

A consortium of major domestic and international energy players has devised a \$2bn plan to fast-track Australia's first hydrogen valley in the heart of the nation's biggest coal province, using renewable energy to build an export industry and secure jobs in NSW.

With the future of the region's coalmining industry a key battleground in next week's Upper Hunter by-election, an elaborate blueprint aims to use solar and wind generation to feed a "green" hydrogen pipeline supplying manufacturing plants with zero emissions. Hydrogen and ammonia would be exported from Newcastle using existing or new port infrastructure.

Companies in talks over the Hunter Hydrogen Network include power giant AGL Energy, pipeline operator APA Group, global energy producer Idemitsu and commodities trader Trafigura and large-scale renewable energy developers RES Australia and WalchaEnergy.

The project follows the creation of seven hydrogen hubs by Scott Morrison spanning the industrial heartlands of the Hunter

Valley, Victoria's Latrobe Valley and South Australia's Whyalla through to Western Australia's Pilbara. The hubs aim to crystallise billions of dollars of investment pledged by high-profile ASX-listed companies, private investors and some of the biggest international energy names.

Australia is pinning its hopes on a slew of hydrogen hubs — backed by some of the nation's biggest renewable investors — as part of a technology-led solution to reach net-zero emissions, without yet providing a timeline for reaching that goal. Australia is targeting becoming a global hydrogen player by 2030 and a top-three exporter of the fuel to the Asian markets.

The first three-year phase of the scheme running out to 2024 would produce green hydrogen — where energy used to split hydrogen from water is from renewable energy sources — in the heart of coal country at Muswellbrook. Japan's Idemitsu aims to repurpose an old coalmine once owned by Kerry Packer into a major energy hub as it looks to develop green ammonia.

Hydrogen would be transported by pipeline from Muswellbrook to the site of AGL Energy's Liddell coal power plant, due to

close in 2023, while one of Australia's biggest renewable and storage projects at Walcha in New England could also provide supplies via a WalchaLink pipeline.

A second stage running from 2022 through 2026 would develop a pipeline from Liddell to Newcastle and incorporate a hydrogen gas power station with both the federal government's Snowy Hydro project at Kurri Kurri or AGL's Newcastle plant among options included as part of a clean energy precinct.

Australia's largest aluminium smelter, Tomago, could be powered by renewables and firmed up with supplies from the power station as its owners seek a cheaper, low emissions contract to ensure the long-term future of the plant.

A third stage could see the expansion of a hydrogen pipeline to central west and New England renewable energy zones where the NSW government wants to generate \$4.5bn of investment as part of a policy to incentivise the replacement of all coal-fired power with renewable energy by 2042.

The Hunter hydrogen plan has been devised by Energy Estate, an advisory business to the renewables industry, which is working with the Beyond Zero



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Emissions think-tank backed by Atlassian billionaire Mike Cannon-Brookes.

“The Hunter has already been through shocks in the past with steel mills and it’s going to go through a level of complexity going forward with coal. This de-risks the investment climate, gives certainty and simplicity for infrastructure, preserves Tomago, brings the large quantities of renewable energy into the Hunter and then uses the local workforce to create a new export industry,” Energy Estate principal Vincent Dwyer said.

“A hydrogen economy and thriving supply chain in the Hunter has the potential to support local industry and workers into the jobs of the future and positions the Hunter in the race to be one of Australia’s leading renewable energy exporters.”

Pipeline giant APA plans to assess the project further, including the concept of a dedicated hydrogen pipeline, and continue its due diligence process.

**‘This de-risks the investment climate (and) gives certainty ... for infrastructure’**

**VINCENT DWYER**  
PRINCIPAL, ENERGY ESTATE