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## MEDIA RELEASE

# STUDY GRANT TO ASSESS EXPANDING WA'S HYDROGEN ECONOMY THROUGH DBP

A feasibility study to assess whether WA's most important piece of domestic energy infrastructure can help develop the State's emerging hydrogen economy, has won government funding support.

The funds will underpin an 18-month study to determine just if and how the Dampier to Bunbury Natural Gas Pipeline (DBP) can introduce hydrogen into its feedstock mix to contribute to the transition by WA's energy sector to a lower carbon footprint.

Natural gas markets in the Perth metropolitan areas and the State's Peel, Pilbara and Mid-West regional precincts, will be the focus of the study's commercial and technical assessments of safely blending small volumes of hydrogen into the pipeline's mainstream delivery network.

The \$216,000 study grant announced today by Minister MacTiernan has been provided under the WA's Government's Renewable Hydrogen Fund to DBP, part of the Australian Gas Infrastructure Group (AGIG) which will contribute a further \$234,000 to the study's estimated total cost of \$450,000.

It is anticipated outcomes of the feasibility study will help both inform AGIG's investment decisions that meet the Fund's objectives while servicing emerging demand from other energy sector players in WA keen to participate in hydrogen-based development and supply chain initiatives.

AGIG's Chief Executive Officer, Mr Ben Wilson, said today that the DBP was strategically located to store and transport hydrogen produced in the Pilbara, Gascoyne and Mid-West regions into the commercial and industrial hubs of the greater Perth and Peel regions.

"Project Developers have already approached AGIG requesting to blend hydrogen into our pipeline," Mr Wilson said.

"AGIG generally supports these projects but we must only proceed in a manner that ensures public safety is maintained, and there is currently no pre-defined method of introducing hydrogen into such large-scale assets as the Dampier to Bunbury link.

"Much work has already been completed on studying the compatibility of low-pressure gas distribution networks with blended hydrogen - particularly through AGIG's current pioneering HyP SA project in Adelaide where first blended gas will be introduced into a local suburb mid this year.

"However, gas transmission pipelines offer greater challenges due to the diversity of gas users and higher operating pressures.

"AGIG is prepared to invest therefore in a number of studies to determine the best manner of introducing hydrogen into the DBP."

The Government-backed study announced today will assess two possible methods of introducing hydrogen into the DBP and its laterals, including actual allowable volumes and ensuring no impact.

The aim is to accelerate the timeline for including and transporting initial low concentrations of hydrogen into the DBP – either initially in engineering approved sections or along its whole route - to enable growth of WA’s hydrogen production industry.

“AGIG recognises that we have a responsibility to de-carbonise natural gas transmission assets. This study will be a pre-requisite for the mooted gradual introduction of hydrogen, potentially at several different concentrations, into the DBP.”

In addition to the study’s technical assessments, AGIG also intends to develop a roadmap to assist in the development of regulations for hydrogen blended gas within WA.

The Group proposes to see seek alternate funding arrangements for a third and separate study that will deal with higher hydrogen concentrations and more dynamic operating scenarios.

WA’s current Engie/Yara green hydrogen plant and the Murchison Renewable Hydrogen Project have already flagged their interest in utilising the DBP’s blended hydrogen potential.

Mr Wilson said successful integration of hydrogen into the pipeline could help expand the number of remote area hydrogen applications, since the DBP is the primary gas transmission line supplying remote northern western Australia, while supplying both remote and Perth metropolitan area customers with gas blended with hydrogen.

The DBP feasibility studies are due for completion in June next year.

### **AGIG’s hydrogen blending expertise**

AGIG is one of Australia’s leading experts in hydrogen gas blending. It is currently undertaking Australia’s first small scale project to generate green hydrogen and blend 5% into the existing gas network in South Australia. The HyP SA project (<http://blendedgas.AGIG.com.au>) will deliver up to 5% blended hydrogen initially to 750 local residential customers. HyP SA is due to be delivered by June this year. AGIG sees this as just one of the steps required to prepare the current regulatory, operational and commercial natural gas framework for Australia’s hydrogen future.

### **About the Dampier-Bunbury natural gas pipeline**

Western Australia is the most energy and gas dependent economy in Australia with natural gas contributing up to 50% of primary energy usage and fueling approximately 50% of the State’s electricity generation. The DBP, one of the largest capacity natural gas pipelines in Australia, is AGIG’s key asset in Western Australia, delivering upwards of 90% of the total natural gas used (particularly in the major load centres in the south of the State and around Perth) for electricity generation, producing and processing minerals, and for homes and businesses. A high-pressure gas transmission pipeline, including laterals, it stretches approximately 1,600 kilometres to link the gas fields of the Carnarvon Basin offshore the Pilbara coast and some areas of the Perth Basin, directly to intrastate mining, industrial and commercial customers, and via other distribution networks, to residential customers. DBP’s diverse range of customers across WA includes major industrial users such as Alcoa and BHP Billiton, power generators such as Synergy and Alinta, numerous industrial and commercial entities and suppliers of gas into the retail market covering the Perth metropolitan area. Of the gas transported in the pipeline, about 21% is used in power generation, 39% in minerals processing, 9% in other industry and commercial businesses, 9% in retail gas and 22% in mining. The pipeline has been in continuous operation since 1984.

### **About AGIG**

Australian Gas Infrastructure Group (AGIG) owns and operates one of Australia’s largest gas infrastructure businesses with operations across every mainland state and the Northern Territory supplying approximately 2 million customers. Operations include 40,000km of distribution and

transmission gas pipelines, 57 petajoules of gas storage capacity, gas processing facilities and remote power generation.

AGIG's vision is to be the leading gas infrastructure business in Australia - by delivering for customers, being a good employer, and being sustainably cost efficient.

AGIG has a strong record of performance, delivering over \$2 billion worth of projects on time, on budget and with safety a priority. A recent example of major project success is the new Tanami natural gas pipeline, built on budget in the Northern Territory for Newmont Goldcorp and commissioned in 2019 ahead of schedule.

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