Australian Government

Chief Scientist

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A HYDROGEN INDUSTRY ON THE NATIONAL AGENDA

Hydrogen could be Australia's next multibillion dollar export opportunity, according to a panel of energy, technology and policy leaders who presented their findings to the COAG Energy Council last week.

Dr Alan Finkel, Chair of the Hydrogen Strategy Group and Australia's Chief Scientist, said that hydrogen's time has come.

"Hydrogen produces only water vapour and heat when burned. When produced from water using renewable electricity, or from coal or methane combined with carbon capture and storage, it's a close to zero-emissions fuel. With appropriate safeguards, it's just as safe as natural gas, and just as convenient for consumers.

"In Australia, we have all the necessary resources to make hydrogen at scale: wind, sun, coal, methane, carbon sequestration sites and expertise.

"It's simply never been commercially viable. Now, the economics are changing."

Dr Finkel explained that the key developments were the falling costs for renewable energy and Japan's commitment to be a long-term, large-scale customer for hydrogen produced through low-emissions methods.

"Japan currently imports 94% of its energy in the form of fossil fuels. To reduce its emissions, government and industry have put ambitious hydrogen uptake targets at the heart of a comprehensive energy transition plan," Dr Finkel said.

"We're not alone in this race. Norway, Brunei and Saudi Arabia are all boosting their credentials as future hydrogen suppliers. This is the time for Australia to stake its claim as supplier of choice not just to Japan, but to other nations like South Korea, hungry for a twenty-first century fuel."

With the right policy settings, Australian hydrogen exports could contribute $1.7 billion and provide 2,800 jobs by 2030, according to a recent report from the Australian Renewable Energy Agency (ARENA). Many of the opportunities will be concentrated in regional communities, where proof-of-concept hydrogen trials are already underway.

Hydrogen could also be introduced in the near-term into Australia's existing gas network for heating and cooking, and as a low-emissions alternative to diesel for long-distance heavy transport.

The COAG Energy Council agreed that Dr Finkel, in close consultation with officials, will bring back a proposal for the development of a national hydrogen strategy to its December 2018 meeting.

Dr Finkel thanked the members of the Hydrogen Strategy Group and taskforce for their work in developing the briefing paper.

Hydrogen for Australia's Future is available at: https://www.chiefscientist.gov.au/2018/08/briefing-paper-hydrogen-for-australias-future/.

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