



Media Release

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DEVELOPING AUSTRALIA'S FIRST BLUEPRINT FOR STATE-WIDE HYDROGEN BLENDING

In an Australian first, leading Australian energy infrastructure business, APA Group, today announced a proposal to test Victoria's high pressure gas transmission system to safely blend hydrogen as part of its Victorian Transmission System access arrangement submission to the Australian Energy Regulator (AER).

APA's proposal is to understand the suitability of Victoria's transmission system for hydrogen blending as well as any potential future works required to safely accommodate hydrogen.

"This landmark hydrogen study proposes to assess the Victorian gas transmission network to safely transport hydrogen blends, which could put Victoria in the box seat to achieve the least-cost, fastest, and most efficient transition to a low-carbon future," APA CEO and Managing Director Rob Wheals said.

"We expect this study to help us identify which parts of the network are suitable for hydrogen blends.

"If the study is approved, the project will benefit from APA's existing pilot project in Western Australia, which is already investigating the conversion of a section of gas pipeline to be 100 per cent hydrogen-ready.

"Our work in Western Australia will significantly reduce the costs of the proposed Victorian study as a result of the advancements we have already made in partnership with Future Fuels CRC and the University of Wollongong."

APA's proposed study is off the back of the Australian Energy Ministers' decision in August 2021 to expedite the process to amend the National Gas Law to allow hydrogen blends, biomethane and other renewable methane gas blends to be included in the national energy regulatory framework.

"We welcome the Energy Ministers' agreement and look forward to helping support and progress these reforms by undertaking the required safety and operational testing of Victoria's gas transmission network," Mr Wheals said.

“There are currently no Australian standards for the conversion of existing gas infrastructure, which is why it is vitally important to undertake a technical safety assessment at the same time as governments progress reforms to the National Gas Law.”

APA’s Victorian Transmission System connects the city and regional areas with almost all of the natural gas consumed in Victoria being transported through its network of interconnected pipelines.

“As technology develops, Victoria’s gas infrastructure will be vital to connecting Victorians to the energy solutions of tomorrow, like hydrogen and biogas – and APA’s pipelines are adjacent to some of the best geographical areas for hydrogen production in Australia,” Mr Wheals said.

“While natural and renewable gases are crucial in maintaining system reliability during periods of low wind and solar generation, continuing to use gas infrastructure can reduce emissions at much lower cost to customers than electrifying the services provided by gas.”

APA will continue to work with potential producers and customers to understand the infrastructure and connection requirements should the testing prove the network can carry hydrogen blends.

The hydrogen safety proposal, which would test 39 sections of the Victorian network under pressurised hydrogen conditions, is part of APA’s five yearly access arrangement proposal to the Australian Energy Regulator (AER). The Access Arrangement defines the terms and conditions and the reference tariffs for transporting gas using the pipelines.

The Victorian Transmission System is a fully regulated asset, meaning that all capital and operating expenditure, including expenditure for this study, requires approval by the AER.

APA’s focus is to keep tariffs as low as possible while maintaining safety, security and reliability of the Victorian Transmission System.

About APA Group (APA)

APA is a leading Australian Securities Exchange (ASX) listed energy infrastructure business. We own and/or manage and operate a diverse, \$21 billion portfolio of gas, electricity, solar and wind assets. Consistent with our purpose to strengthen communities through responsible energy, we deliver approximately half of the nation’s gas usage and connect Victoria with South Australia and New South Wales with Queensland through our investments in electricity transmission assets. We are also one of the largest owners and operators of renewable power generation assets in Australia, with wind and solar projects across the country. APT Pipelines Limited is a wholly owned subsidiary of Australian Pipeline Trust and is the borrowing entity of APA Group.

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For more information visit APA’s website: apa.com.au.