

28 March 2019

Dear

**COAG Energy Council Hydrogen Working Group – National Hydrogen Strategy – request for input**

The Clean Energy Council (CEC) is the peak body for the clean energy industry in Australia. We represent and work with hundreds of leading businesses operating in renewable energy and energy storage along with more than 6,000 solar and battery installers. We are committed to accelerating the transformation of Australia's energy system to one that is smarter and cleaner.

The CEC welcomes the development of the *National Hydrogen Strategy* and is pleased to have the opportunity to provide input. The CEC recognises the significant role hydrogen can play in our energy future and Australia's hydrogen export potential when paired with renewable energy for production.

Australia has world class renewable energy resources. This can allow Australia to decarbonise our energy system faster and at lower cost than many other countries who are not blessed with the same renewable resources. Developing Australia's leadership in this vast export opportunity will require a comprehensive strategic plan, strong leadership and collaboration between government, industry and customers.

But unlocking this massive export opportunity will also require Australia to develop a strong domestic hydrogen industry. Indeed, the opportunity to produce and utilise hydrogen domestically is also substantial. As the transition to renewable energy in Australia accelerates, there will be a growing opportunity to:

- Produce hydrogen using surplus renewable energy output. In some parts of Australia at some points in time there is already a surplus of renewable generation output. This is currently being constrained on occasions. While increased network investment is essential, these constraints provide a great opportunity to more efficiently and economically produce hydrogen.
- Utilise hydrogen technology to complement the electricity network and provide important network and system services.
- Utilise hydrogen as a source of energy storage and flexible energy generation technology to assist balance renewable energy generation.

Unlocking these opportunities will require continued reform of the Australian energy market and regulatory environment, which was very clearly not designed for these types of scenarios.

Other priority areas for consideration include:

- The current hydrogen opportunity needs real policy support via tangible policy initiatives. An Australian hydrogen sector should be considered in the context of Australia's transitioning energy mix and should be progressed in step with advancements in Australia's renewable energy sector. Growing Australia's clean energy generation and hydrogen export potential should be done in parallel and are complementary.
- We encourage the Australian Government to support R&D and demonstration programs to realise technological advancements in hydrogen production. The renewable sector provides a template for this through the strong work of ARENA. The Clean Energy Council strongly supports an extension to ARENA to ensure it can continue to focus on and unlock this massive opportunity.
- We suggest the Federal Government take a leadership role in a strong and ambitious commitment to decarbonising the Australian energy sector for the development of a Hydrogen sector. The Clean Energy Council strongly supports COAG Energy Council playing a central role in assessing and coordinating the development of Australian hydrogen sector. Multidisciplinary and cross-jurisdictional collaboration will be integral to realising hydrogen opportunities in Australia at internationally competitive pricing.
- We believe that hydrogen industry development should naturally occur in areas with high penetrations of renewable energy resources. These have been developed as renewable energy zones as part of the recent Integrated System Plan by AEMO and we would encourage alignment of this hydrogen strategy with the ISP where relevant.

Thank you for the opportunity to comment on the *National Hydrogen Strategy Request for Input*. If you would like to discuss any of the issues raised in this submission, please contact Maryanne Coffey on (03) 9929 4137 or [mcoffey@cleanenergycouncil.org.au](mailto:mcoffey@cleanenergycouncil.org.au)

Yours Sincerely,



Kane Thornton  
Chief Executive  
[kthornton@cleanenergycouncil.org.au](mailto:kthornton@cleanenergycouncil.org.au)  
(03) 9929 4100