



Media Release

APA SET TO UNLOCK AUSTRALIA'S FIRST HYDROGEN-READY TRANSMISSION PIPELINE

Tuesday 23 February 2021

Leading Australian energy infrastructure business, APA Group, today announced a landmark hydrogen pilot project to enable the proposed conversion of 43-kilometres of Parmelia Gas Pipeline in Western Australia into Australia's first 100 per cent hydrogen-ready transmission pipeline.

The pilot project is APA's first project under its Pathfinder Program – a new initiative that will help unlock energy solutions of the future – and would make the Parmelia Gas Pipeline one of only a few existing gas transmission pipelines in the world, 100 per cent hydrogen-ready.

APA Group Chief Executive and Managing Director, Rob Wheals said: "As a proud Australian business, APA is excited to be bringing international best practice to Australia in this national first, which we expect will test and prove the capacity of the existing gas transmission pipeline network to transport hydrogen in pure form or blended with natural gas.

"With billions of dollars invested in gas infrastructure across the country, it makes sense to look at ways to use our existing energy infrastructure to support Australia's transition to a low carbon future.

"In fact, studies have shown that continuing to use gas infrastructure can reduce emissions at half the cost to customers than electrifying the services provided by gas."

Future Fuels Cooperative Research Centre and Wollongong University have partnered with APA to support the engineering research to enable the safe and efficient conversion of the 43-kilometre section of the Parmelia Gas Pipeline to a hydrogen-ready service.

The \$3 million project will fund three phases, including: research and testing of the material for embrittlement in the laboratory, development of safe operating guidelines, and full-scale testing on-site.

In an Australian-first, a new laboratory is being established at Wollongong University to test materials, which are representative of the pipeline, under pressurised hydrogen gas conditions.

One of the COAG Energy Council's National Hydrogen Strategy's recommendations was for pipelines to be tested for their response to hydrogen embrittlement.

APA is targeting the testing and research to be completed around late CY2022, which if successful would make the pipeline hydrogen-ready.

Mr Wheals said APA welcomed the opportunity to discuss services the proposed new hydrogen-ready pipeline can provide with potential producers and customers.

Subject to proving the pipeline is hydrogen-ready, APA will then need to consider ongoing work in conjunction with potential producers and customers to understand the infrastructure and connection requirements to commission the pipeline as a hydrogen service.

During the testing, APA will work with WA's Economic Regulation Authority and WA Government to demonstrate the safety of hydrogen transmission pipelines and support the development of Australian standards.

APA Group Executive for Transformation and Technology, Hannah McCaughey, said the 43-kilometre section of the Parmelia Gas Pipeline supplies the Kwinana industrial precinct in south Perth, where a number of existing customers already rely on hydrogen for industrial processing, as well as natural gas.

"Kwinana is potentially a key hydrogen production and usage location, linked to a large industrial base and transport hubs, with the potential to one day service export markets," she said.

"While gas will continue to play a critical part in our nation's energy mix, APA also understands that there are opportunities in supporting the development of technologies that can support Australia's transition to a low carbon economy."

The launch of the Parmelia Gas Pipeline pilot project follows APA's continued progress towards a sustainable future, including APA's ambition to achieve net zero operations emissions by 2050.

"With our ambition of net zero operations emissions by 2050, this Australian first-pilot, made possible through our new Pathfinder Program, has the potential to be a real game changer for APA and the gas pipeline industry," Ms McCaughey said.

Transmission of hydrogen at scale is a critical part of delivering the Australian Government's hydrogen economy ambition and will also be important to support the WA Government's hydrogen blending goal of 10 per cent by 2030.

Following the completion of the testing, the pilot project results will also support decision-making for the potential transition of other APA assets to be hydrogen-ready.

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About APA Group (APA)

APA is a leading Australian energy infrastructure business listed on the ASX. APA owns and/or operates around \$22 billion of energy infrastructure assets across Australia, including 15,000 kilometres of gas transmission pipelines that deliver about half the nation's natural gas usage.

APA is the sixth largest owner of renewable power generation assets in Australia. The business owns and operates six wind and solar projects in Western Australia, South Australia and in the Darling Downs in Queensland.

APT Pipelines Limited is a wholly owned subsidiary of Australian Pipeline Trust and is the borrowing entity of APA Group. For more information visit APA's website, apa.com.au.

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