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MEDIA RELEASE

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AUSTRALIA'S FIRST GREEN HYDROGEN/GAS POWER PLANT

NSW is set to become home to Australia's first dual fuel capable hydrogen/gas power plant following an \$83 million funding agreement for the Tallawarra B project in the Illawarra.

Deputy Premier John Barilaro said the project is vital infrastructure needed to provide dispatchable electricity capacity to replace the Liddell Power Station and create the industries and jobs of the future.

"Delivering enough electricity to power around 150,000 homes at times of peak demand, the project is expected to deliver a \$300 million boost to the economy and support about 250 jobs during construction," Mr Barilaro said.

"NSW has an enormous opportunity to lead the world in the production of green hydrogen. Fast-tracking new projects like these will ensure we continue to remain at the forefront of developing new technology while supporting our existing industries."

Treasurer Dominic Perrottet said investing in this cutting-edge technology will help secure power generation and put our State in a prime position to capitalise on an export industry that is predicted to be worth \$1.7 billion annually by 2030.

"As we recover from the pandemic, embracing emerging industries will help recharge our economy by creating new jobs and opening up new opportunities that will secure our economic prosperity well into the future," Mr Perrottet said.

"Hydrogen is quickly emerging as a major economic opportunity for our State and this investment will keep us ahead of the curve by positioning NSW as a world-leader in hydrogen production."

Minister for Energy Matt Kean said that the Tallawarra B project would help keep the lights on following the closure of the Liddell Power Station in 2023.

"NSW's Energy Security Target is the tightest reliability target in the country and this project will help make sure that we achieve that even after Liddell has closed," Mr Kean said.

"Tallawarra B will provide over 300 megawatts of dispatchable capacity for NSW customers in time for the summer after Liddell retires.

“This project sets a new benchmark for how gas generators can be consistent with NSW’s plan to be net zero by 2050 by using green hydrogen and offsetting residual emissions.”

Under the funding agreement, Energy Australia will offer to buy enough green hydrogen equivalent to over five per cent of the plant’s fuel use from 2025 (200,000kg of green hydrogen per year) and will offset direct carbon emissions from the project over its operational life.

EnergyAustralia will also invest in engineering studies on the potential to upgrade Tallawarra B so it can use more green hydrogen in its fuel mix in the future.

The Tallawarra B project is the latest in a series of steps the NSW Government has taken to ensure reliable electricity supply following the closure of Liddell, including:

- Jointly underwriting the Queensland-NSW transmission interconnector upgrade with the Commonwealth Government;
- The \$75 million Emerging Energy Program which provides capital grants for new dispatchable generation;
- Seeking offers for new dispatchable plant to power the state’s schools and hospitals as part of the NSW Government’s electricity contract.

EnergyAustralia Managing Director, Catherine Tanna, said the project will help deliver on the company’s ambition to lead the transition to a cleaner energy future.

“Customers expect affordable, reliable and cleaner sources of energy from providers and Tallawarra B delivers this to households and businesses in the Illawarra region and NSW,” Ms Tanna said.

Green hydrogen is a type of energy that is made using 100% renewable sources.

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