




Albanese Government moves quickly to legislate but also has heavy lifting to do

By Dr. Fiona Simon on Aug 01, 2022

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Minister for Climate Change and Energy Chris Bowen had already flagged his intentions in a speech to the National Press Club a few weeks before.

Minister Bowen stressed that the new government had just 90 months to deliver on its goals.

That sense of urgency was carried into the Parliament.

There are a number of key elements driving the Albanese Government's agenda, not the least of which is a A\$12.7bn (\$8.94bn) upgrade of our electricity transmission grid.

The Government also intends rolling out an integrated national plan to cover all the investments needed to move to a renewable economy.

As Minister Bowen told the National Press Club, "This plan needs to cover what storage we need and where. It needs to cover what green hydrogen we need and what pipelines we need to get it around the country.

"It needs to cover all the necessary investment. And it needs to cover the vital enablers to that program, like upskilling our workforce and making things in Australia again."

Hydrogen figured prominently in the build-up to the introduction of the Climate Change Bill.

Minister Bowen struck a chord with our industry when he said that If we seize the opportunity correctly "by 2030, Australia will be a major player in the global hydrogen industry.

"We'll be using our natural resources, including solar, onshore and offshore wind, to generate export quantities of hydrogen, and providing for its use domestically.

"We will use hydrogen to progressively decarbonise existing industries, heavy transport links and for chemical production. And we won't just be powering Australia with renewable energy – we will be powering the world."

As the Australian Hydrogen Council pointed out in its White Paper of last year, Australia is perfectly placed to be a big player in the export market, and these are exactly the steps we need to take.

Read more: [Australian Government action holds the key to unlocking hydrogen's value](#)

We not only have abundant renewable resources but existing bilateral trade relationships and low sovereign risk.

But our window of opportunity will not exist forever.

Competing hydrogen producers across the globe seek a share of the international market and are scaling up production to supply the Asia-Pacific and European markets as soon as 2025.

We must lock down a great deal within the next year or so if we are to achieve the objectives outlined in the National Hydrogen Strategy, such as being a top-three exporter to Asia by 2030 or getting the price of hydrogen to less than A\$2 (\$1.41) a kilogramme.

This includes the infrastructure, such as large-scale electrolyzers, renewable electricity generation, hydrogen storage, water and water pipelines, electricity infrastructure and hydrogen pipelines. It includes industrial and port facilities to process and export hydrogen and its derivatives, including ammonia.

There are new production processes for manufacturers turning to clean energy and new refuelling capabilities for users of heavy transport.

The renewable electricity requirements alone will require significant planning and prioritisation of what will be constrained access to supply chains and a ready workforce. We have seen these issues arise already in the pandemic, well before any new construction picks up.

New construction also requires better coordination of projects and integration of the many jigsaw pieces that impact local communities.

As if this was not challenging enough, we have a society that is still yet to be weaned from current fossil fuels. We need to grapple with the *transition* part of the energy transition. These next years are the difficult ones, where there may have to be outcomes that are not as economically efficient as might be desired, because there is a need to phase out current ways of doing things. Governments need to grapple with questions of recovering or stranding existing infrastructure, and they cannot avoid the question of who pays and over what time.

So how can these trade-offs be made responsibly? How does society keep the lights (and heating) on and keep prices down *while* taking carbon out of the system?

That's going to require planning, ideally based on Net Zero scenarios that can help drive the right conversations about competing values.

About the author

Dr. Fiona Simon is CEO of the Australian Hydrogen Council.
