

Mr John Bradley
Secretary
Department of Environment, Land, Water and Planning

6 August 2021

Submitted electronically to Engage.vic.gov.au

Victoria's Gas Substitution Roadmap Consultation Paper

The Australian Hydrogen Council (AHC) supports the Victorian Government's Climate Change Strategy and recognises that transitioning the state's natural gas resources to a low emissions fuel is critical to achieving net zero emissions by 2050.

We also recognise that Victoria has a unique dependence on natural gas and that the industry is trusted and valued by consumers. Hydrogen will play a significant role in decarbonising our gas supply. The planning and analysis work being undertaken for the development of the gas substitution roadmap will be critical to ensuring decarbonisation targets are met at the lowest cost to the consumer.

While noting that electrification and energy efficiency have important roles to play, this submission will focus on the use of hydrogen in the transition to green gas.

Victorian consumers have relied on gas as an energy source to a greater extent than any other jurisdiction in the country. AHC strongly supports an initial step of blending clean hydrogen into existing natural gas pipelines.

We consider that the adoption of 10% target for blending hydrogen into the natural gas network will have a number of benefits. It will lower the carbon intensity of homes and business connected to the network while allowing these entities to defer potentially significant investment decisions until connected appliances reach the end of their useful life.

A 10% target will also enable additional planning to be undertaken to further determine the economic and social ramifications (eg the ability of low income households to transition to new energy sources) of electrification or transition to higher concentrations of hydrogen.

Importantly imposing a target for hydrogen injection would provide certainty of offtake for hydrogen producers and assist the development of a domestic hydrogen production industry which will allow the gas to be used cost effectively beyond this initial step in our energy transition.

We understand that the purpose of the Gas Substitution Roadmap is to provide direction on the questions surrounding options to reduce carbon emissions from fuels currently conveyed by our gas infrastructure. We urge the government to consider the fact that firm plans are needed to assist decision making on long term investments which will facilitate decarbonisation.

Discussion of whether Victoria's gas infrastructure will convey hydrogen blended with other fuels indefinitely or ultimately transport 100% hydrogen need to be answered as a matter of urgency along

with the development of blueprint, including milestones, of how the next stage in the life cycle of Victoria's gas assets will be reached.

We look forward to continuing to engage with the Victorian government on this issue.



Yours sincerely

A handwritten signature in grey ink, appearing to read 'Joe Kremzer'.

Joe Kremzer
GM Policy
Australian Hydrogen Council