

Mr Tim Stock
Chair
National GreenPower Steering Group

Re: APA Submission to GreenPower Renewable Gas Certification Pilot

Dear Mr Stock,

Thank you for the opportunity to comment on the Renewable Gas Certification pilot consultation paper published in February 2022 (Consultation Paper).

APA is a leading Australian energy infrastructure business. We own and/or manage and operate a diverse, \$21 billion portfolio of gas, electricity, solar and wind assets. Consistent with our purpose to strengthen communities through responsible energy, we deliver approximately half of the nation's gas usage and connect Victoria with South Australia and New South Wales with Queensland through our investments in electricity transmission assets. We are also one of the largest owners and operators of renewable power generation assets in Australia, with wind and solar projects across the country.

APA supports the transition to a lower carbon future and our ambition is to achieve net zero operations emissions by 2050. We are actively investigating how hydrogen and other technologies such as batteries, microgrids and Carbon Capture Underground Storage (CCUS) can support a lower carbon future.

APA supports the establishment of a Renewable Gas Certification scheme. Renewable gas certification will support the development of renewable gas markets by ensuring that buyers can verify the attributes of renewable gases. This will provide buyers with confidence about the environmental impact, including carbon emissions, of the product they are buying.

Our submission provides some high level comments about the proposed scheme and highlights our efforts to unlock the new technologies that will lead to the development of a new hydrogen industry in Australia.

Comments on the proposed pilot

The Consultation Paper proposes that the pilot focus initially on biomethane and renewable hydrogen. We support this approach.

The Consultation Paper also recognises that certification schemes for hydrogen are separately being developed by the Australian Government and the private sector and proposes integrating with those projects, rather than developing an additional hydrogen certification pathway.

We strongly support this approach, as it will be administratively burdensome for renewable gas customers if there are multiple certification schemes and different standards across state and international borders. Customers will expect a simple and transparent certification scheme that allows them to quickly assess the environmental impact of any renewable gas they wish to buy. For similar reasons, any Australian domestic scheme should harmonise with international certification schemes.

APA's support for renewable gases

Much of APA's gas infrastructure is adjacent to the best geographical areas for renewable gas production in Australia. We are actively supporting efforts to unlock the innovation and new technologies that will lead to the development of a renewable gas industry in Australia.

Our Pathfinder Program will be a key enabler in our pathway to our new ambition for net zero operations emissions by 2050. Through Pathfinder, we will unlock energy solutions of the future and develop opportunities to extend our core business.

Pathfinder's initial focus is on clean molecules (including renewable methane and hydrogen), off-grid renewables and storage. Our first Pathfinder project is seeking to enable the conversion of around 43-

kilometres of the Parmelia Gas Pipeline in Western Australia into Australia's first 100 per cent hydrogen-ready transmission pipeline.

This project, which is being delivered in partnership with Future Fuels Cooperative Research Centre and Wollongong University, carries enormous significance for APA and the entire industry. It will create a significant opportunity for the development of a hydrogen hub in Western Australia, while more broadly the results will support decision-making as to the potential for APA's other gas infrastructure assets to be hydrogen-ready.

APA (with support from ARENA) has also funded a project by Southern Green Gas to develop a renewable methane demonstration plant at APA's Wallumbilla gas plant in Queensland. This carbon neutral project is investigating whether it is possible to create renewable methane from hydrogen that is produced using solar energy and water, converted to methane using CO₂ extracted from the atmosphere.

Renewable methane is indistinguishable from the methane that currently fills our natural gas pipelines and therefore offers a potential low carbon alternative with the ability to use the existing gas infrastructure system.

Continued policy support is essential

The challenge in establishing a renewable gas industry is to develop the early demand that will enable suppliers to begin their journey down the cost curve.

The first steps are to establish, test and prove renewable gas supply chains, encourage global markets and develop cost-competitive production capability. Targeted support for pilot demonstration projects and develop industry expertise will help achieve these goals.

Following that, scaling up the industry will require policies to build widespread domestic demand for renewable gases. Some of these initiatives could include:

- Using renewable gases for industrial feedstocks and heating
- Blending of hydrogen and other renewable gases in gas pipelines
- Using hydrogen for long distance transport and development of refuelling infrastructure.

APA supports continued policy development, such as the proposed GreenPower Renewable Gas Certification scheme, that will help establish demand for renewable gases.

We appreciate GreenPower's consultative approach in developing the Renewable Gas Certification scheme. If you have any questions about our submission, please contact Caroline Beattie, General Manager Hydrogen and Future Fuels at Caroline.Beattie@apa.com.au and +61 422 535 926.

Regards,



Kevin Lester
Group Executive Infrastructure Development