

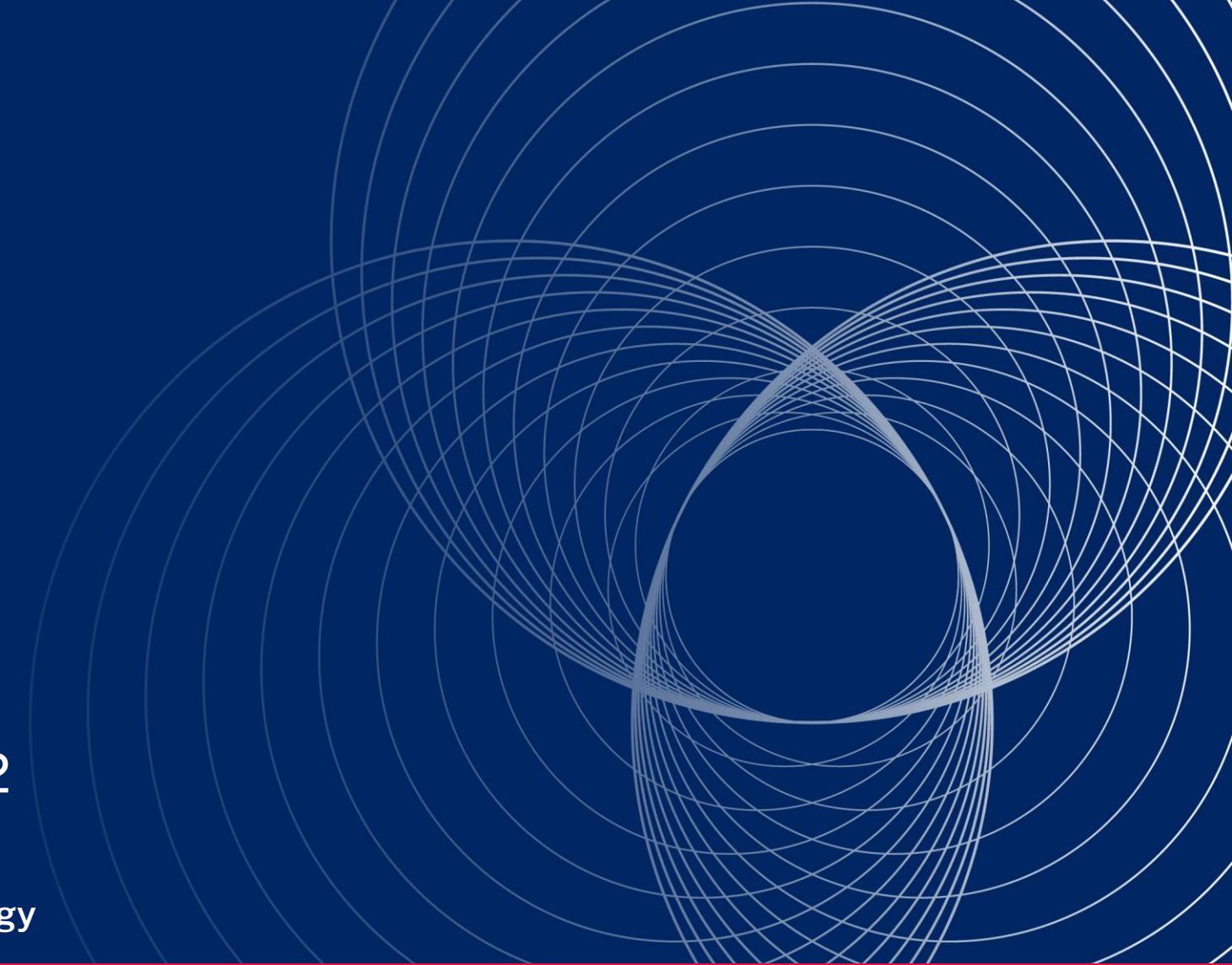
# NSW Hydrogen Strategy

Ammonia Energy Conference 2022

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# NSW Hydrogen Strategy – Our plan to realise the hydrogen opportunity



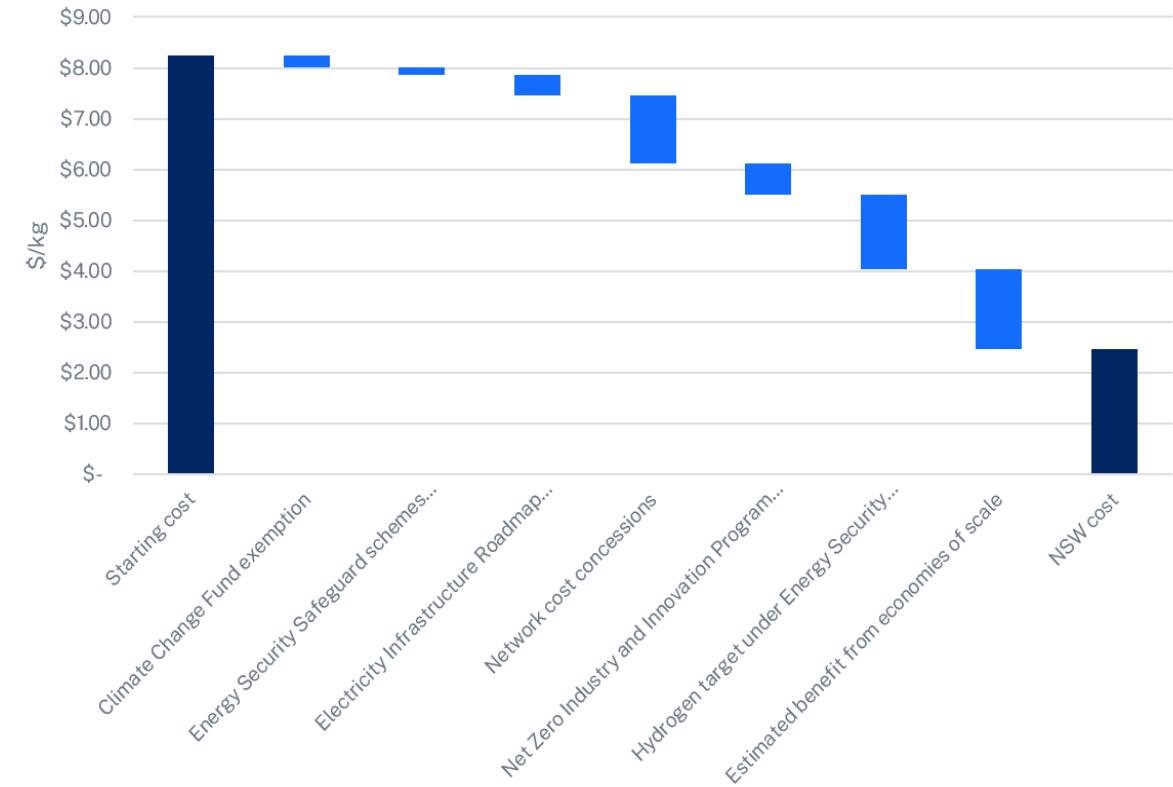
60 actions

\$3 billion incentives

LCOH under \$2.80/kg

## Overcoming the key barrier to investment - COST

NSW offers \$3 billion in incentives to reduce green hydrogen production to below \$2.80/kg



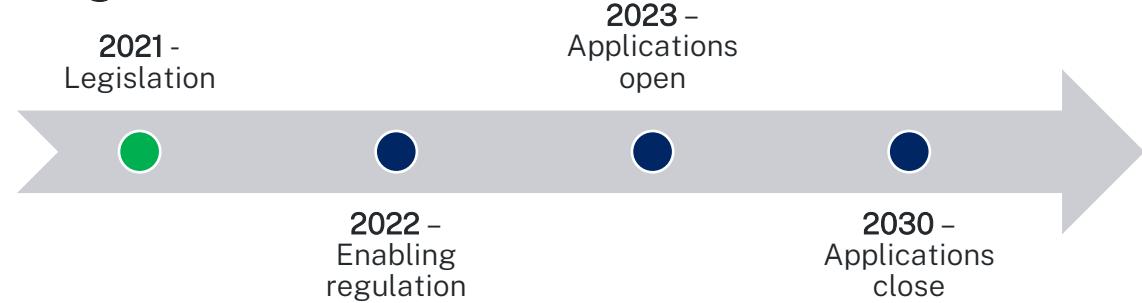
# Action 8 – Exemptions – network and scheme charges



## Direct reductions to LCOH through exemptions to network and scheme charges

- Green hydrogen producers exempt from 90% of network use of system charges
- Only available in areas with existing spare capacity
- Available for first 750 MW installed by 2030 for a period of 12 years
- Exemptions to Climate Change Fund, Energy Savings Scheme, Peak Demand Reduction Scheme and Electricity Infrastructure Roadmap costs

### Timing

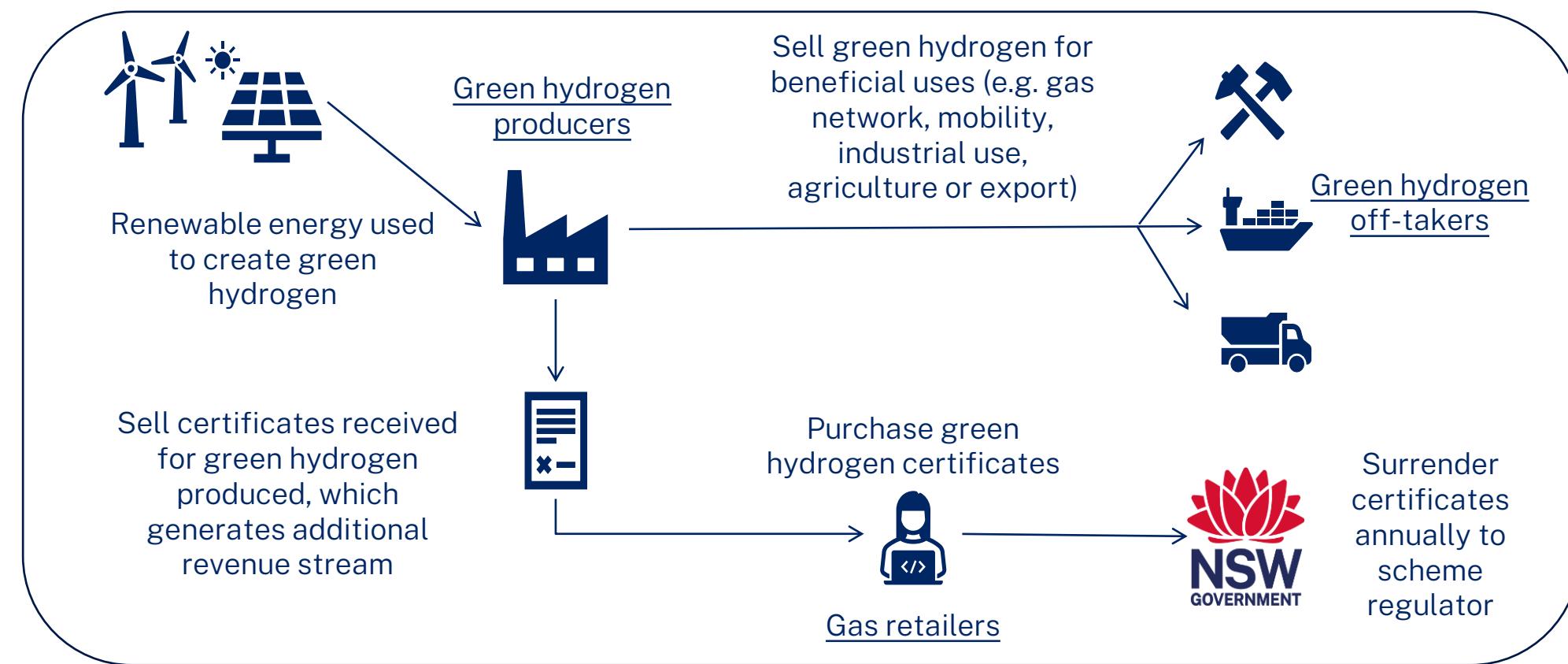


# Action 7 – NSW Renewable Fuel Scheme



Australia's first incentive scheme for green hydrogen production will commence in 2024.

8 million GJ  
(~67,000 tonnes) of green hydrogen production targeted by 2030



# Action 7 – Scheme targets and timeframes



## Targets

Year	GJ	Tonnes*	MW *
2024	90,000	750	5
2025	360,000	3,000	21
2026	890,000	7,417	53
2027	1,780,000	14,833	106
2028	3,200,000	26,667	190
2029	5,330,000	44,417	317
2030–44	8,000,000	66,667	476

\*indicative only

## To be finalised in regulation and rule:

- Scheme penalty rate
- Exemptions framework
- Certificate creation – intersections with Guarantee of Origin Scheme

## Implementation schedule

2021 – Scheme legislated

2022 – Regulations and rule development

2023 – Regulations and rule gazetted

2024 – Scheme commences

# Action 43 – Green Ammonia Market Study



In partnership with industry, NSW Government will conduct an ammonia market study to support government and private sector investment decisions.

- Seeking to engage with ammonia market participants for primary data and price sources
- Feedback welcome to ensure we value add
- Final output will be publicly available report
- Final report expected by end of 2022 (indicative only, this may be extended based on project needs)



International and domestic market sizing

Price discovery

NSW v Competitors delivered cost of ammonia

Sequencing and pathway to growing market share

# Action 4 – \$150 Hydrogen Hub Initiative

ID	Applicant
A	AGL Energy Limited
B	ATCO Australia Pty Ltd
C	Australian Gas Networks Limited
D	BlueScope Steel Limited
E	BOC Limited
F	Coregas Pty Ltd
G	Hiringa Pty Ltd
H	Keppel New Energy Pte Ltd
I	Origin Energy Future Fuels
J	Port of Newcastle Operations Pty Limited



10

Applicants shortlisted

4.5 GW

Combined electrolyser capacity proposed by 2030

Oct 21 – EOI open

Aug 22 – Applications close

2023 – Project FID

Apr 22 – Shortlist

Dec 22 – Grant awards

# Action 1 – Hydrogen Infrastructure Masterplan



How do we scale our energy system to manage GW scale green hydrogen production?

- Determining optimal supply chain and infrastructure configurations to meet hydrogen demand growth
- Guidance to NSW government and industry on planning and investment decisions
- Scope of works currently being refined
- Build on National Infrastructure Assessment



# Action 52 – Port infrastructure assessments



How can we streamline investment decisions for international trade consortiums?

- Front loading planning studies
- Updating planning instruments
- Port infrastructure feasibility studies



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