



Joint letter in support of Australian renewable gas market development

Our organisations welcome the development of the Technology Investment Roadmap as a landmark opportunity to unlock the significant economic and social benefits of renewable gas and to enable the lowest cost transition to a decarbonised energy system.

The [Technology Investment Roadmap Discussion Paper](#) highlights that renewable gases will be an important part of the development of the Government's broader and longer-term emissions reduction strategies.

In particular, renewable gases could play a significant role in global decarbonisation efforts if blended into gas networks. Demonstration projects are well underway in Australia for renewable gas blending, but our significant renewable resources mean we have the opportunity to deploy these forms of energy at scale and low cost now. It provides a solution to a number of current energy market decarbonisation challenges:

1. **Variable renewable electricity:** With the continued increase in variable renewable electricity, complementary reliable and flexible resources are becoming more important. Renewable gas in the gas grid connected to gas power plants can fulfil this need and start scaling up now.
2. **Heavy industry:** This sector is harder to decarbonise due to the process inputs and high quality heat required. Renewable gas can be delivered through existing connections to existing equipment, enabling effective decarbonisation.
3. **Heavy and fleet vehicles:** Due to high utilisation and carrying capacity requirements, battery electric vehicles are not suited to heavy vehicle applications, while the refuelling efficiencies of renewable gases can favour back to base vehicle fleets. Renewable gas delivered through the gas network can start cutting emissions from these modes of transport.
4. **Domestic gas supply:** Residential heating and cooling requirements often coincide with the electricity network 'duck curve' peak making electrification challenging. Renewable gas uses existing networks and appliances to enable customers to decarbonise this energy.
5. **Energy storage:** Investment in large scale batteries can be costly and only provides intra-day storage, whereas hydrogen has the capacity for

longer duration energy storage by utilising the existing gas network infrastructure

The Discussion Paper recognises the significant potential for renewable hydrogen in establishing the specific goal of producing hydrogen for \$2 per kilogram. The National Hydrogen Strategy recognised the significant opportunity for network blending to reduce emissions domestically and build a platform for future exports.

Similarly, a landmark report commissioned by Bioenergy Australia on the availability of biogas in Australia identified 371PJ per annum of available energy, which is enough to decarbonise all industrial, commercial and residential gas users currently supplied by distributed gas networks across Australia.

We are confident that, with the right policy settings, Australia can attract the necessary investment to deliver a cost-effective, zero-emissions energy system that will create new jobs and new industries. To achieve this we are calling on governments and relevant agencies to work with us to:

- further identify and raise awareness of the potential for hydrogen and biomethane to play a significant role in achieving emissions reduction targets at Federal, State/Territory and regional level
- unlock seed funding from Government (Federal, State and Territory) and private investment to showcase, activate and de-risk the renewable gas markets across Australia including regional areas and Special Activation Precincts, and
- build market confidence, scale and growth through:
 - supporting a national certification of renewable gases as a renewable net zero emissions energy source
 - recognising renewable gas blending into gas networks as a net zero emissions energy source, including through the Emissions Reduction Fund
 - establishing a market mechanism (such as a reverse auction, feed-in tariff or quantity target) to drive penetration of renewable gas (including hydrogen and biomethane) in the gas network, as has occurred for renewable electricity
 - enabling private project and market development with secure long-term government offtake agreements for public transport applications (eg, BioCNG and hydrogen fuel cell electric buses), and
 - creating a hydrogen and bioenergy sector and building local capability and expertise to drive further innovation as well as export knowledge and capability across our region.

- develop a hydrogen fuel cell electric light and heavy vehicle, marine and stationary fuel cell roadmap to help drive the introduction of new fuel cell technologies and drivetrains to Australia and help support the deployment of enabling infrastructure

There is a ready market for renewable gas products. Creating this policy environment will enable current gas users, particularly those with ambitious emissions reduction goals such as Interface Carpets, to quickly and cost-effectively achieve net zero emissions now. Scaling an Australian renewable gas market would also play a significant role in decarbonising the gas supply system over the next decade and beyond.

We invite you to contact us to speak about any of the above in further detail. We also welcome the opportunity to participate in consultation or to provide subject matter and industry experts as required. Please send through your requirements to Georgina Greenland via georgina@bioenergyaustralia.org.au.

We look forward to continuing to engage in the development of the Technology Investment Roadmap and its implementation, as well as other complementary policy development processes at the federal, state and territory level.

Yours sincerely,



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On behalf of the following supporting organisations (on the following page):

