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Dear Stephen,

Re Project Marinus: Project Specification Consultation Report – Supplementary Feedback

Further to our previous submission we wish to provide additional input to your work on this project, and specifically in relation to the State's potential to participate in the global hydrogen economy.

As outlined in the recent COAG Briefing Paper¹... *the long-held dream of meeting energy needs with clean hydrogen is becoming a reality...* driven by Japan's declared intention to become a large scale hydrogen user for clean energy production, together with the energy system resilience and domestic consumption opportunities in our own economy. The briefing paper indicates that the benefits of an Australian hydrogen production industry could be widely shared, with almost every State having strong solar and wind energy resources which could be directed at electrolytic hydrogen production processes, and states that ... *Tasmania's renewable hydroelectric and wind resources, for example, are well-suited to electrolyser-based hydrogen production.*

Many countries are investing in hydrogen energy value chains to decarbonise their energy systems, with Japan being the most quoted example. Many, including Japan, will need to import hydrogen to do this... creating an export market for countries which can contribute to a secure and cost competitive supply chain. Recent export market assessment work carried out for ARENA² indicates that Australia is likely to be capable of becoming a competitive supplier if a global market for hydrogen does emerge over the next 2 decades. Economic estimates produced for 2030/40 demand scenarios indicate that a hydrogen industry would produce similar numbers of jobs as the LNG sector, and that much of the economic benefit would accrue to regional Australia.

NTDC's interest in this is strategically linked to the potential for hydrogen production to become a new and substantial export industry for Tasmania, and that the Bell Bay Industrial Zone is an obvious candidate for the location of hydrogen production and export facilities.

We raise this opportunity now, because Tasmania may not be able to sustain additional DC interconnection with mainland Australia, and a hydrogen industry. Our renewable energy resources and access to capital are both constrained, and so even at this early stage it is critical that we understand the merit of each approach, when considering the best way to add value to our renewable resources.

In our view Tasmania should produce a Hydrogen Roadmap ... like that which South Australia published³ in 2017. Such a roadmap would enable Tasmania's hydrogen options to be considered in parallel to those offered by the Battery of the Nation project, and with similar levels of evidence-based confidence.

¹ Hydrogen for Australia's Future-A briefing paper for the COAG Energy Council (https://www.chiefscientist.gov.au/wp-content/uploads/HydrogenCOAGWhitePaper_WEB.pdf)

² Opportunities for Australia from Hydrogen Exports (<https://arena.gov.au/assets/2018/08/opportunities-for-australia-from-hydrogen-exports.pdf>)

³ A Hydrogen Roadmap for South Australia <http://www.renewablessa.sa.gov.au/topic/hydrogen/hydrogen-roadmap>

We would then understand whether Tasmania should develop both opportunities ... or one only, and in which order.

We are not convinced that the existing scope specification gives adequate attention to this economic opportunity/risk and therefore recommend that a “hydrogen scenario” be added to the current Project Marinus scope specification, or a separate parallel project be established to do this.

Yours faithfully,



John Pitt
Chair NTDC