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Via: nabers@environment.nsw.gov.au

Dear Ms Allende,

The NABERS update is an opportunity to recognise renewable gas

Energy Networks Australia welcomes the opportunity to provide input during the consultation period on “Recognising uptake of renewable energy” within NABERS.

Energy Networks Australia is the national industry body representing Australia’s electricity transmission and distribution and gas distribution networks. Our members provide more than 16 million electricity and gas connections to almost every home and business across Australia.

To date, the focus of decarbonisation has been on the electricity sector, but gas networks are on their own decarbonisation journey. Customers tell us that they are seeking a clean energy future and are engaged in achieving emission reductions from gas use. New renewable fuels, such as hydrogen and biomethane, have the potential to become mainstream and complementary energy solutions that will use existing energy infrastructure. Our gas networks are leading the development of renewable gas projects and blending renewable hydrogen in the Adelaide and Sydney gas distribution networks, with further projects under development for Victoria, Western Australia and Queensland.

Renewable gas projects and targets

Leading renewable gas projects

Australia’s gas distribution networks are leading the development of renewable gas demonstration. Both renewable hydrogen and biomethane projects are under development.

Of particular relevance are the following projects:

- » **Hydrogen Park, SA:** Renewable hydrogen is produced using a 1.25MW electrolyser with water and renewable electricity. The renewable hydrogen is blended with natural gas at volumes of up to 5 per cent and supplied to nearby homes via the existing gas network. This project is already demonstrating that renewable gas can be provided to customers. (source: <https://www.agig.com.au/hydrogen-park-south-australia>)

- » **Western Sydney Green Gas Project:** Hydrogen is carbon neutral and a 500kW electrolyser installed as part of the Western Sydney Green Gas Project will produce renewable hydrogen which will then be blending into Jemena’s gas network and delivered to approximately 250 homes. The project will contribute to the NSW Government’s Stage 1, Net Zero Plan, to cut emissions by 35 per cent by 2030 compared to 2005 levels. (source: <https://jemena.com.au/about/innovation/power-to-gas-trial>)
- » **Malabar Biomethane Project:** This project located in Sydney aims to produce renewable biogas from wastewater. This biogas will be upgraded to meet the specifications of natural gas allowing it to be injected and blended into the natural gas distribution system. The project is currently under construction with a planned operation date in early 2022 when renewable biomethane will be injected into Jemena’s natural gas network. At the same time, GreenPower is developing a pilot certification scheme to verify that this biomethane is a renewable gas (source: <https://jemena.com.au/about/innovation/malabar-biomethane-project>)

Information on these and additional projects can be found at: <https://renewable-gas.com.au/now/#in-australia>.

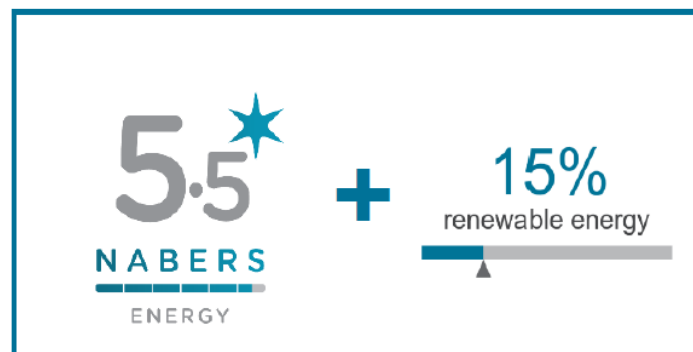
NSW’s hydrogen blending target

The NSW Hydrogen Strategy, release earlier this month, includes a commitment to blend up to 10 per cent renewable hydrogen into NSW’s natural gas supply by 2030. Blending of hydrogen creates opportunities to build scale of hydrogen production, increase customer and regulatory interactions while reducing the cost of production to support the conversion to 100 per cent hydrogen networks in the 2030’s.

The renewable gases are being used as a blend of natural gas in buildings. In many ways, this is similar to the introduction of renewable electricity as part of the Renewable Energy Target scheme, which is recognised by NABERS.

NABERS should recognise renewable gas

The proposed changes to NABERS would see the labelling reflect the proportion of renewable energy.



The case studies and Appendix B provided in the consultation paper indicate that only renewable electricity is being considered. This does not recognise the emerging role of renewable gas.

Renewable gas labelling

In parallel with the above projects, there are also a number of processes underway to certify renewable gas.

- » In support of the National Hydrogen Strategy, the commonwealth government is developing a Guarantee of Origin scheme (or certification scheme) to measure and track emissions from hydrogen production. This scheme will be aligned to international certification scheme and is intended to identify whether the hydrogen produced is from renewable sources, or alternatively, its emission intensity if it is produced from other processes.
- » GreenPower is developing a pilot certification scheme for biomethane. This is intended to be operational in early 2022 to support the Malabar biomethane injection project.

As such, the renewable gas being produced and injected into the network will be able to be certified as such.

Recommendation

Energy Networks Australia proposes that the proposed methodology be expanded to include certified renewable gas (either as hydrogen or biomethane) as part of the update to NABERS labelling. This will ensure that both renewable electricity and renewable gases can contribute towards the proposed renewable energy label.

If you have any questions or would like a to discuss this further, please do not hesitate to contact our Head of Renewable Gas, Dennis Van Puyvelde at dvanpuyvelde@energynetworks.com.au.

Yours sincerely,



Andrew Dillon
Chief Executive Officer