

Media Release

Mr Tim Pallas MP

Treasurer

Minister for Economic Development

Minister for Industrial Relations



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HYDROGEN PRODUCTION SUCCESS FOR WORLD FIRST PROJECT

The world's largest hydrogen export demonstration project has reached a major milestone, with hydrogen production successfully commencing at a dedicated facility in the Latrobe Valley.

Minister for Economic Development Tim Pallas today joined J-Power and other Hydrogen Energy Supply Chain (HESC) Pilot Project partners at the coal gasification and hydrogen refining facility at AGL's Loy Yang site to mark the milestone.

The facility – which forms a critical part of the HESC Pilot Project – is converting brown coal into hydrogen gas, which will be transported to Port of Hastings and then liquified and shipped to Japan in the world's first, purpose-built liquified hydrogen carrier, the *Suiso Frontier*.

As well as creating an expected 400 Victorian jobs over its life, the pilot will assist in establishing local skills, capabilities and infrastructure that will provide a platform for the development of a broad hydrogen industry in Victoria and Australia.

This will provide the ideal business environment for the growth of hydrogen as Victoria's ambitious renewable energy targets are achieved over the next decade.

The pilot is required to offset all the minimal greenhouse gases produced. For the project to progress to full commercial scale, it must achieve successful carbon capture and storage, enabling significant reduction in CO2 emissions in Victoria.

At full scale, the project has the potential to create thousands more local jobs, provide clean hydrogen that can help meet Victoria's future energy needs, as well as kick-start the emergence of a new, global export industry. The fast-growing hydrogen industry is expected to be worth \$2.5 trillion globally by 2050.

The HESC Pilot Project is being developed by a consortium of top energy and infrastructure companies from Australia and Japan – including Kawasaki Heavy Industries, J-Power, Iwatani Corporation, Marubeni Corporation, Sumitomo Corporation, and AGL – with the support of the Victorian, Commonwealth and Japanese governments.

Quotes attributable to Minister for Economic Development Tim Pallas

"The HESC Pilot Project will create jobs for the Valley and right across Victoria while boosting our economy."

"This is an important milestone for this world first project, which will help us transition towards a low carbon energy future while potentially creating thousands more jobs for Victorians if it reaches commercialisation."

Quote attributable to Executive Managing Officer of J-POWER Dr Hiroshi Sasatsu,

"The commencement of operations of the HESC Pilot Project is an Australian and world first, it marks a cornerstone moment for science and innovation"

Quote attributable to Executive Managing Officer of Kawasaki Heavy Industries Dr Eiichi Harada

"The Victorian, Australian and Japanese Governments share a vision that clean hydrogen is the future of fuel. HESC is that vision in action."

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