



Victorian Hydrogen & Ammonia Industries Limited

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5 November 2021

APA VTS Australia (Operations) Pty Limited  
ACN 083 009 278  
Level 25, 580 George Street  
Sydney NSW 2000

**Attention:** Harriet Floyd  
**By email:**

Dear Harriet

**Re: Victorian Gas Transmission System – Hydrogen Safety and Integrity Assessment**

Victorian Hydrogen & Ammonia Industries Limited (VHI) confirms its support for APA Group's ("APA") hydrogen safety and integrity assessment, as part of its Victorian Gas Transmission System (VTS) 2023-2027 Access Arrangement submission to the Australian Energy Regulator (AER) ("Submission").

VHI is developing one of the lowest cost blue hydrogen projects globally in the Latrobe Valley, Victoria. The annual production of green hydrogen will be 130,000 tonnes and over half of the production is already contracted to be converted into value added urea for a 25 year initial term.

Given our project's proximity to the VTS, VHI and APA have commenced discussions in relation to the opportunity to transport hydrogen via pipeline from our proposed facility in the Latrobe Valley. The produced hydrogen would be injected into the APA owned VTS and blended in with natural gas for transport across the state.

Hydrogen as a low carbon alternative to natural gas is a key component of Victoria's gas substitution roadmap. For APA, the repurposing of existing gas infrastructure for hydrogen is lower cost than building entirely new pipeline networks or full electrification of energy systems. But, before hydrogen can be blended in the VTS, APA will need to understand what the safety and integrity risks might be. Victorian Hydrogen & Ammonia Industries understands that APA are preparing a business case as part of their upcoming Submission, which outlines the required studies to assess the preparedness of the VTS for hydrogen.

APA supports the global transition to a lower carbon future and has demonstrated their commitment to enabling low carbon technologies and fuels to enter the Australian energy mix in a number of ways;

1. Announced ambitions of net zero operations emissions by 2050 earlier this year.
2. Completed Phase 1 of an investigation into the conversion of a section of the Parmelia Gas Pipeline in Western Australia to be hydrogen ready<sup>1</sup>. Phase 2 of this investigation is underway.
3. Executed an MoU as one of the founding consortium members of the Central Queensland Hydrogen Export Project<sup>2</sup>.

It is for the reasons above that VHI is writing to support APA in their Submission to the

AER. If you have any questions, please do not hesitate to contact Allan Blood on [ ].

Yours faithfully

**Allan Blood**  
Executive Director  
for and on behalf of  
Victorian Hydrogen & Ammonia Industries Limited

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<sup>1</sup> [APA set to unlock Australia's first hydrogen-ready transmission pipeline | APA Group](#)

<sup>2</sup> [APA Group joins international hydrogen consortium | APA Group](#)

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