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#### **Natural Resource Could Determine Hydrogen Type**

Canada could use hydropower while countries with strong nuclear energy may apply it in their production. The same concept applies to Australia, which has a large coal industry which can be combined effectively with Carbon Capture and Storage. I believe that using natural gas as electricity for (blue) hydrogen production has the most potential as a transition fuel over the coming decades while the industry scales up. It can create demand for hydrogen until the green variety is ready to come in. In the end, economics will play a major role in determining the balance.

#### **Investors Need Security of Demand**

This is the main issue for investors in hydrogen. Energy companies in Australia are moving forward under intense pressure to reduce emissions and improve their environmental performance. They are investing in clean technologies such as CCS and hydrogen, even without the assurance of having security of demand.

#### **Policy Support Necessary Until Hydrogen Becomes Profitable**

The overarching point of hydrogen is to reduce emissions and policies can impact this through regulations such as carbon taxes. They can make fossil fuels more expensive or cleaner fuels more attractive through grants and subsidies. But in the long run, hydrogen should eventually be able to be independently profitable.

#### **LNG Mechanics as Model for Hydrogen**

Hydrogen market contracts could be modelled on LNG as they have similar considerations, such as long distance and complex shipping requirements, and so long-term agreements between buyer and seller would make economic sense. And in terms of infrastructure, hydrogen could adopt similar set ups to LNG in terms of storage and delivery technologies. ■

*\*Paraphrased Comments*



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