

The Ethical Investor: Australia's hydrogen bubble growing and are stocks making waves



Nothing looks like popping Australia's hydrogen bubble. Picture: Getty Images

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The Ethical Investor is [Stockhead's](#) weekly look at ESG (environment, social, governance) moves on the ASX.

The hype got real in 2021 when the word “hydrogen” [surged 21%](#) in company filings as businesses started to seriously consider the clean energy step in renewable energy.

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Fast forward to 2023 and the initial excitement has started to wear on some countries, while others are racing

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promised \$US370 billion in tax credits to the US renewable energy industry – including a production tax credit to clean hydrogen plants of 2.6 cents per kWh and up to \$3 a kilogram of hydrogen for the first 10 years of operation – sent shockwaves through the investment community, signalling the need for countries to act fast or risk getting left behind.

According to the [Clean Energy Council](#), Australia's first federal production incentive ([Hydrogen Headstart](#)) to support new green hydrogen projects – released in May – puts the nation on a somewhat stronger foot to promote momentum.

Under the program, the Australian government will invest \$2 billion to provide revenue support for large-scale renewable hydrogen projects through competitive hydrogen production contracts.

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It's designed to “bridge the commercial gap for early projects” and place Australia on course to develop a gigawatt of electrolyser capacity by 2030, and ARENA (Australian Renewable Energy Agency) CEO Darren Miller said the initiative would ensure large scale hydrogen projects already in development in Australia could get off the ground.

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What else is happening in the hydrogen space?

The paper outlined South Australia's goal to become a "green hydrogen super power", a dream not too far out of reach considering it already generates more of its electricity from renewable sources than any other mainland state.

Compared to all other states and territories, SA gets a higher proportion of its energy from wind (40 per cent), small-scale solar PV (14 per cent) and large-scale solar PV (6 per cent).

And just last week federal [Energy Minister Chris Bowen](#) announced plans to build a \$51m, 10-megawatt (MW) electrolyser in Wodonga, Victoria. It will be about eight times larger than the biggest electrolyser currently operating in Australia.

What's the hydrogen news from the ASX?

A whole lot, actually.

Provaris ([ASX:PVI](#)) has signed a collaboration agreement with Norwegian company, Gen2 Energy AS, to conduct a pre-feasibility study (PFS) on the technical and economic viability of producing and supplying green hydrogen to European ports from a project in Afjord, Norway.

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Both parties believe because of its access to low-cost renewable energy and industrial infrastructure, Afjord is an ideal site for large scale production of green hydrogen and seaborne supply.

Meanwhile, **ReNu Energy ([ASX:RNE](#))** and Countrywide Hydrogen signed a letter of agreement to investigate the development of hydrogen powered trucks and prime movers for the Australian market.

Under the deal, the two parties will work together to assess the feasibility of delivering right-hand drive (RHD) fuel cell trucks throughout Australia with Countrywide building, and Walkinshaw Automotive Group supplying the market.

Group (TG), which will invest \$1.0 million to advance the development of the Turquoise Hydrogen project, which is being developed in collaboration with French plasma company, Plenesys.

Turquoise hydrogen is manufactured by decomposing methane into its two elemental components, hydrogen gas and solid carbon.

TG is also targeting continuous carbon reformation to value-add carbon products produced in the manufacturing process.

A demonstration pilot is under development in Brisbane and planned for commissioning by late 2023.

Once sufficient carbon value-add is proven, TG will proceed with the development of commercial modules to produce hydrogen and solid carbon products in markets across Australia, the Asia Pacific and Sub-Saharan Africa – wherever methane gas is available.

NOW READ: [We ask 10 ASX hydrogen companies – what is your No.1 goal for 2023?](#)

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