

Hydrogen and Renewable Energy & Energy Resources (PGE) Act

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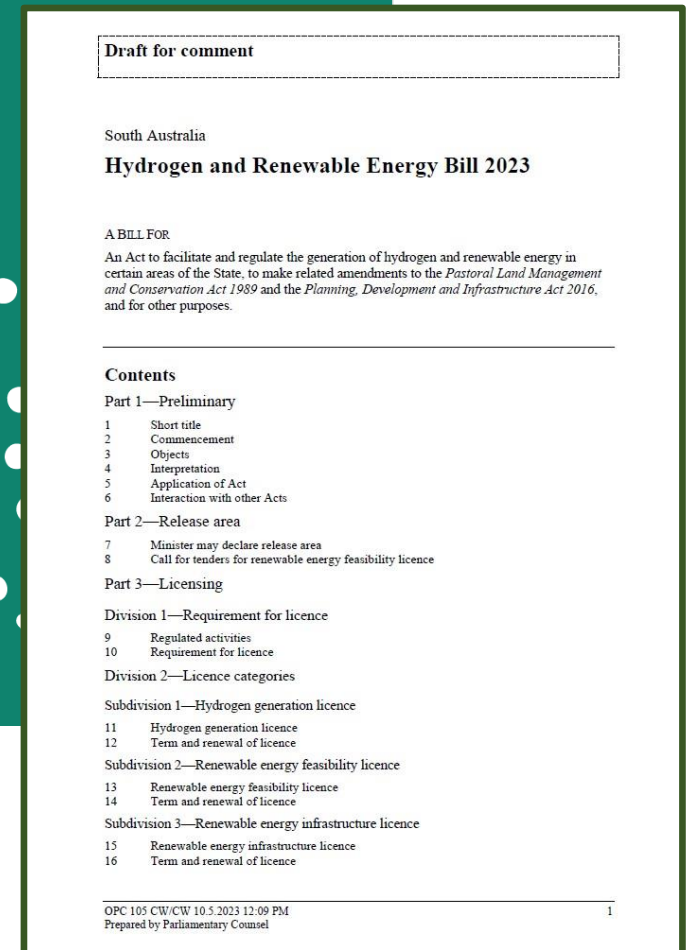
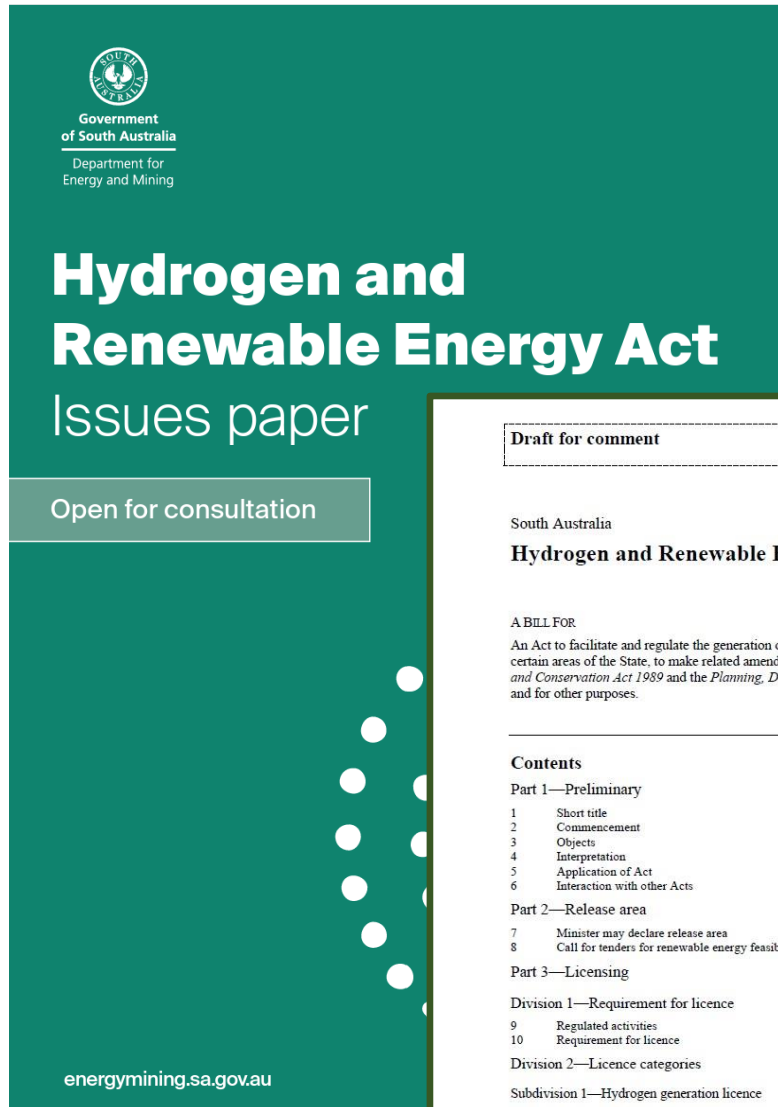
Acknowledgement of Country

As guests here on Kaurna land, the Department for Energy and Mining (DEM) acknowledges everything this department does impacts on Aboriginal country, the sea, the sky, its people, and the spiritual and cultural connections which have existed since the first sunrise. Our responsibility is to share our collective knowledge, recognise a difficult history, respect the relationships made over time, and create a stronger future. We are ready to walk, learn and work together.



Background: Proposal and Issues Paper

- 17/11 – 10/2 - sought public comment on a range of matters shaping the direction of the legislation
- Draft Bill developed in response to consultation feedback
- Debated and passed in Lower House 19th October
- Scheduled for Upper House late October earlier November



General feedback

- Majority of submissions support the government's ambition and intention to create a framework to encourage investment in the large-scale hydrogen and renewable energy sectors.
- Dealing with multiple regulators is a key challenge, the one window to government approach is well regarded.
- SA has a stronger focus on community, Aboriginal rights and multiple land use than other jurisdictions.
- Most respondents advised more detail is required to understand how many proposed processes will function, including the process to identify release areas and competitive tenure processes – More on this in Information Sheets and draft Regulations.

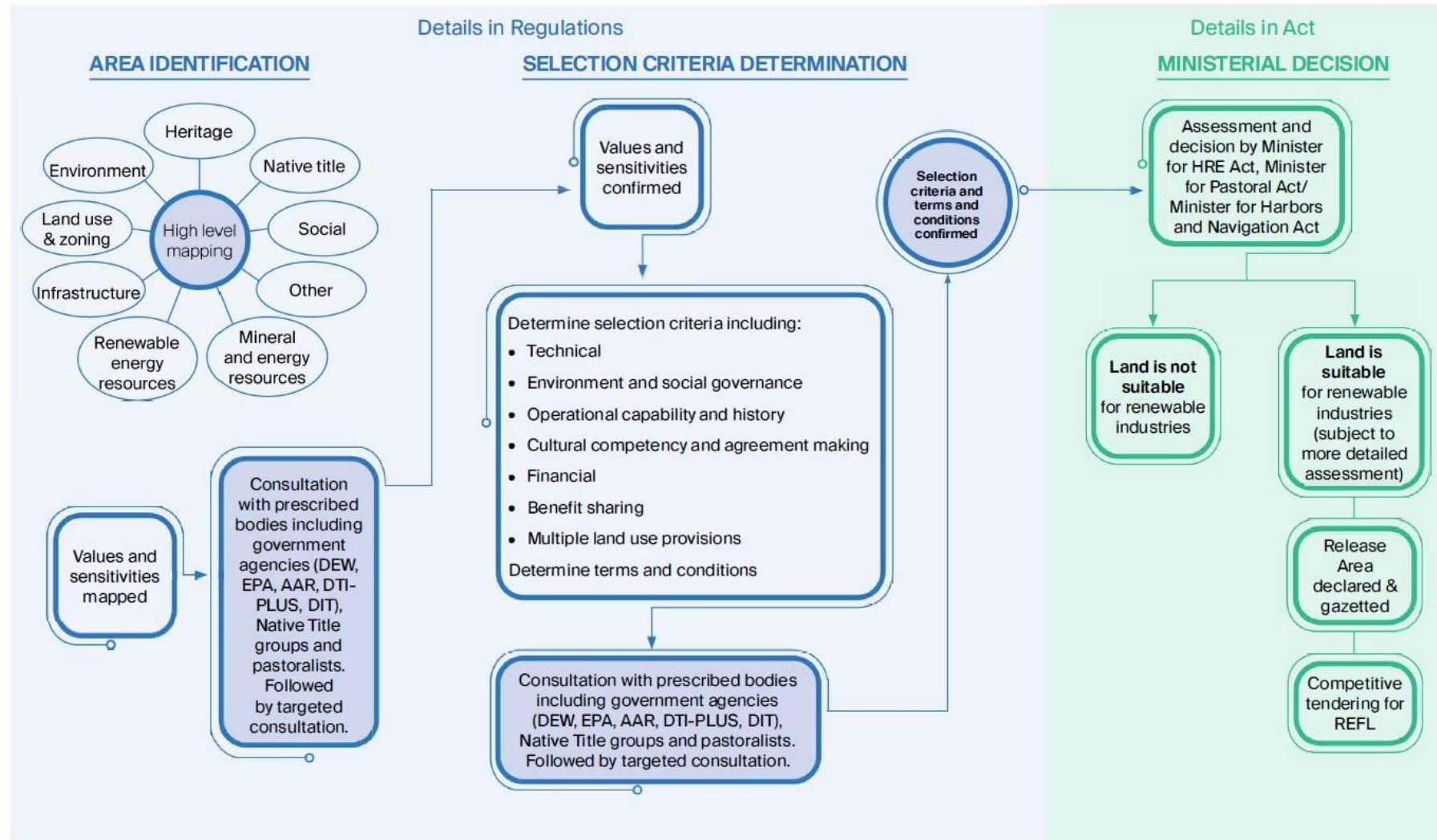
Hydrogen and Renewable Energy Act: Draft Bill

- Draft Bill developed in response to consultation feedback
- Refined scope of proposed Act – including Associated Infrastructure Licence (wharves and power plant)
- Strengthen one-window framework via activity assessments and approvals being under the HRE Act
- Debated and passed in Lower House 19th October
- Scheduled for Upper House late October earlier November

RELEASE AREAS (RA)

- New approach to development on pastoral land and state waters
- Work together with Aboriginal communities, pastoralists, industry, and regulators to determine release areas and terms and conditions
- Post consultation – proceed to competitive tendering for these RAs

Release Area process



Attachment 1 Process map

AAR: Aboriginal Affairs and Reconciliation
 DEW: Department for Environment and Water
 DIT: Department for Infrastructure and Transport

DTI-PLUS: Department for Trade and Investment-
 Planning and Land Use Services
 EPA: Environment Protection Authority

HRE: Hydrogen and Renewable Energy
 REFL: Renewable Energy Feasibility Licence

RENEWABLE ENERGY FEASIBILITY LICENCE (REFL)

- Designated lands: subject to competitive tendering.
- Exclusive access to RA area to conduct feasibility and exploration activities.
- Activities licensed by a REFL assessed and approved under the HRE Act.
- Native title agreements required in form of Indigenous Land Use Agreement (ILUA).
- For non-designated land (i.e. freehold) the construction and operation of fixed exploration infrastructure (e.g. Met masts) subject to a permit.

RENEWABLE ENERGY INFRASTRUCTURE LICENCE (REIL)

- Provides land tenure over designated to construct, operate, maintain and undertake all incidental activities necessary for the commercial generation of renewable energy.
- The holder of the Feasibility Licence (REFL) will have an automatic right to apply for an Infrastructure Licence (REIL) over the same area.
- Infrastructure licence will include an approval role for the Minister for the Pastoral Act.
- Activities licensed by a REIL assessed and approved under the HRE Act.
- Designated lands: Native title agreements required in form of Indigenous Land Use Agreement (ILUA).
- Non-designated lands: subject to interest in land being obtained – REFL automatically granted

HYDROGEN GENERATION LICENCE (HGL)

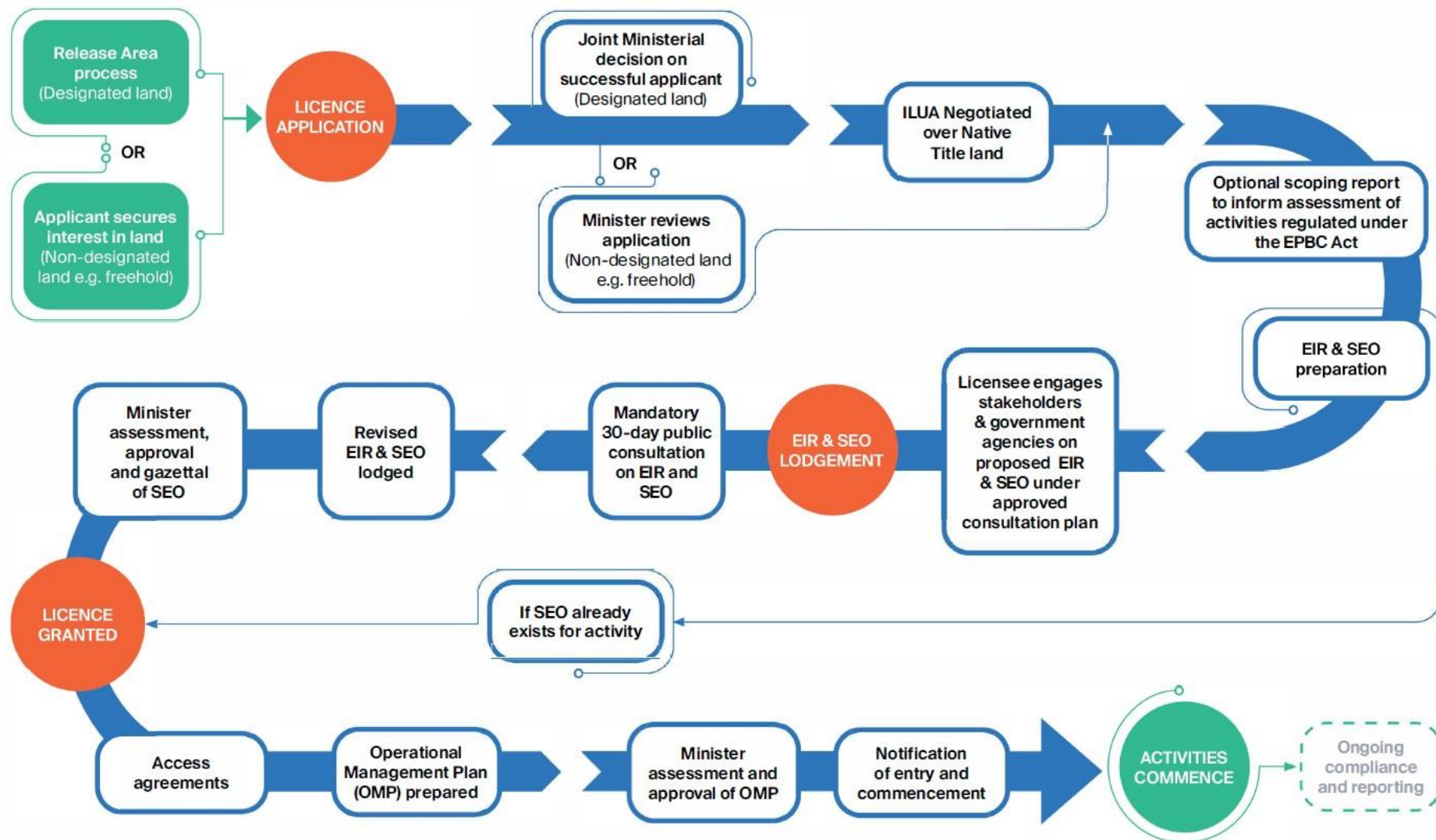
- Provides right to construct, install, operate, maintain and decommission facilities for generating hydrogen for commercial purposes;
- Does not confer right to land. HGL land needs to be acquired separately.
- Generating hydrogen means: undertaking operations for the creation of hydrogen (and any compound of hydrogen necessary for its processing, storage or transport) by processes such as the electrolysis of water or reformation of natural gas or coal gasification etc
- Includes operations for the surface storage of hydrogen – e.g. bulk storage tanks
- Excludes operations:
 - for the storage of hydrogen in a natural underground reservoir;
 - the operation of a transmission pipeline required to be authorised under the Petroleum and Geothermal Energy Act 2000;
 - operations excluded from the ambit of this definition by the regulations.
- Native title agreements required in form of Indigenous Land Use Agreement (ILUA) for Native Title lands.

ASSOCIATED INFRASTRUCTURE LICENCE (AIL)

Authorises construction, installation, operation, maintaining, management and decommissioning of—

- a) hydrogen power plant; or
- b) ports, wharves or jetties associated with the import or export of hydrogen or renewable energy; or
- c) desalination plant used for the primary purpose of supplying water used in generating hydrogen; or
- d) any other infrastructure associated with other regulated activities prescribed by the regulations for the purposes of this definition, including other activities associated with or incidental to regulated activities under a REFL, REIL or HGL; e.g. the construction of access roads, camps or the construction and operation of water pipelines or water treatment facilities – within or outside these licences.

Hydrogen and Renewable Energy Act licensing process



ILUA: Indigenous Land Use Agreement
PDI Act: Planning, Development, and Infrastructure Act 2016

EPBC Act: Environment Protection and Biodiversity Conservation Act 1999
EIR: Environmental Impact Report

SEO: Statement of Environmental Objectives
OMP: Operational Management Plan
REIL: Renewable Energy Infrastructure Licence

REFL: Renewable Energy Feasibility Licence
HGL: Hydrogen Generation Licence
Other definitions on previous page

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SPECIAL ENTERPRISE LICENCE (SEL)

- Provides tenure for projects that are of major significance to the economy of the State by allowing access to land to undertake all activities necessary for the commercial generation of renewable energy.
- Non-consensual grant of licence(s) subject to agreement between Minister and proponent ratified by Governor
- Grant of any such licence is considered as a last resort should negotiations with relevant landowners fail
- Activities licensed by a SEL assessed and approved under the HRE Act.

PGE Act Review

- The PGE Act was last significantly reviewed and amended in 2009.
- The PGE Amendment Bill 2023 to be debated in next sitting in November.
- Proposed new amendments reinforce the principles upon which this Act was proclaimed in 2000. The most significant proposed amendments include:
 - Changing the title of the PGE Act to the 'Energy Resources Act', to reflect the actual broader scope of the Act which in addition to 'petroleum' based resources covers geothermal, natural hydrogen, underground coal gasification, carbon dioxide, and carbon capture and storage (CCS).
 - Modifying the definition of transmission pipeline to allow for the transport of manufactured hydrogen and imported substances such as liquefied natural gas.
 - Adding an option provision for the charging of a rent payment for commercial geological storage of regulated substances via gas storage licences under the Act. In particular for the use of underground natural reservoirs for the commercial storing of carbon dioxide and hydrogen. For CO₂ storage rent will only be charged for that internationally imported for storage.
 - Improving and streamlining stakeholder consultation provisions for EIR and SEO approvals.
 - Introducing Ministerial approval requirement for change in control of licence, greater than 20% or as prescribed in the regulations.
 - Introducing statutory security to the Crown, so Crown has first priority over a licensee's property in event of bankruptcy.
 - Extending the existing power for the Minister to designate areas of the state as competitive tender regions.

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