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Iberdrola partners with ABEL Energy on green hydrogen and methanol project in Tasmania

Today, Iberdrola Australia and hydrogen developer ABEL Energy announced that they will be working together to deliver a green hydrogen and green methanol production facility at Bell Bay, in northern Tasmania, backed by new renewable energy generation within the state. The total estimated capital requirement for the methanol and renewable energy project is in the order of A\$1.7 billion.

The proposed green hydrogen and methanol production facility, known as the Bell Bay Powerfuels Project, was the subject of a A\$1.3 million feasibility study and widely acclaimed Knowledge-Sharing Report completed earlier this year by ABEL Energy with a A\$555,000 hydrogen funding grant from the Tasmanian Government.

The scale of the Bell Bay Powerfuels Project, at 200,000 tonnes per year of green methanol for Stage One, will make it one of the largest such projects in the world. Stage Two will increase capacity to 300,000 tonnes per year.

The technology required to design and build the project is being accessed from around the world. It is estimated operations will require 50 local employees upon commencement in 2026 and generate a further 150 indirect local jobs. Construction will employ around 500 people.

Chief Executive Officer and Managing Director of Iberdrola Australia, Ross Rolfe, AO, said:

“Iberdrola Australia’s investment in the Bell Bay Powerfuels Project demonstrates our commitment to helping Australian enterprises reduce their carbon emissions in sectors which have, historically, been more technically and economically difficult to abate. We are delighted to be combining Iberdrola’s global expertise in green hydrogen technologies with ABEL Energy’s local knowledge and business momentum.”

“Iberdrola Australia was attracted to the Bell Bay Powerfuels Project because of its integrated nature – combining both renewable generation investments with green hydrogen capacity investment – and its collaborative approach to creating shared value for Tasmanian stakeholders over the long-term.”

ABEL Energy Co-founder & CEO Michael van Baarle said:

“We are delighted to have Iberdrola’s support as a financial and project partner given their significant capability and experience in constructing and operating large-scale renewable energy projects in Australia and around the world.”

“Together we can harness Tasmania’s excellent hydro and wind resources to produce hydrogen via electrolysis of water, and then use that hydrogen to produce green methanol for the burgeoning green maritime fuel market and other applications.”

“The world’s major shipping companies, led by Denmark’s A.P. Moller – Maersk, have, since August 2021, been placing orders for very large ships designed to run on ultra-clean-burning green methanol. This has many benefits such as eliminating air pollution in ports, avoiding the risk of catastrophic oil spills in sensitive marine environments, and especially reducing greenhouse gas emissions currently generated by fossil fuel use.”

“ABEL Energy and Iberdrola are looking forward to establishing a new future-proof climate-tech industry for the Tamar Valley community which can play an important role for generations of Tasmanians, as well as kick-starting a commercial-scale green hydrogen industry in Australia.”

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About Iberdrola Australia

Iberdrola Australia is leading Australia’s transition to a clean future, today. Our strategy is to put customers at the centre of the renewable energy transition by providing them with firm supplies of clean energy. We partner with our customers to help them deliver their sustainability and renewable energy goals. At Iberdrola Australia we operate one of the largest portfolios of renewable energy assets in the country and we have invested in a fleet of flexible, fast-start firming assets that manage intermittency risks. Iberdrola Australia’s customers include manufacturers, universities, councils, food and beverage producers, electric vehicle manufacturers, commercial property operators, industrial utilities, timber processors and large-scale infrastructure assets. More information on our customer offerings is available at: www.iberdrola.com.au

About ABEL Energy www.abelenergy.com.au

ABEL Energy is an industrial project development company focussing on the production and use of green hydrogen primarily for the production of green methanol. The company is led by some of the most experienced synthetic fuel proponents in Australia, with expertise in chemical engineering, fuel applications and corporate development. It is a member of the Methanol Institute, CO2 Value Australia and BBAMZ Ltd.