

SNAPSHOT

Renewable Hydrogen (H2) Cost-Benefit Analysis for Australian Red Meat Processors (RMPs)

Project Report Reference: 2020-10140

Date: 12 May 2020

Project Description

Hydrogen offers RMPs the following potential advantages:

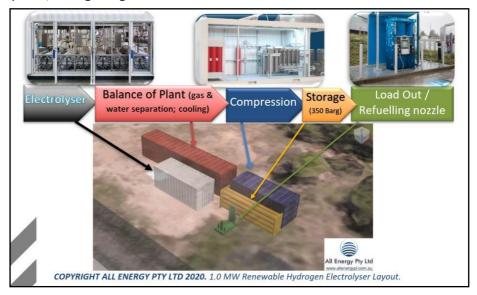
- Lower cost transport fuel compared to diesel, unleaded, and LPG.
- Lower cost on-site electricity compared to diesel generators.
- Energy security by producing fuel inhouse and/or domestically thereby reducing reliance on existing liquid fuel supply chains.
- No greenhouse gas (GHG) emissions.
- No particulate, NOx, or SOx emissions when used in a fuel cell thereby offering the opportunity to increase air quality within factories and in local environments.
- Regional / remote area energy storage and utilization.
- Noise minimization when used in a fuel cell (i.e. the same as an electrified solution).
- Co-creation of oxygen (for waste water treatment aeration) and thermal energy (to reduce fossil fuel usage).

Project Content

Feasibility study for an RMP considering:

- Hydrogen as a transport fuel for refrigerated trucks, hook bins, and other heavy vehicles,
- Hydrogen forklifts and light vehicles,
- Power generation for off-grid, peak shaving, and emergency power applications,
- Public refuelling hubs for transport vehicles (e.g. sale to logistics sub-contractors),
- Sale into the general market as industrial hydrogen for oil refining, metal works, glass manufacture, R&D, etc.

Presented below is an indicative layout of a 1.0 MW electrolyser for producing hydrogen. When making hydrogen via electrolysis, low cost power is the key parameter which could be sourced from co-located PV solar arrays, wholesale power, off-peak power, or biogas engines.



Some high level numbers for a 1 MW electrolyser module on a per annum basis:

- H2 production: 121 tpa nominal (159 tpa system rating).
- Energy consumption: 5,950 MWh pa (nominal). 38% from PV solar, balance from off-peak grid. Max.: 1.4 MWe.
- Operations and Maintenance: as per an industrial chemical facility; main daily maintenance is on rotating equipment; electrolyser stack replacement after ~64,000 hours. Approx. 9% of capex pa.
- Water demand: ~1416 tpa of potable or low salinity (e.g. sterilisation water).
- Co-products: 968 tpa oxygen and hot water (~50 Deg C).
- 121 tpa H2, when used in a fuel cell truck, equates to ~726 kL of diesel. Depending upon utilisation and a number of other parameters, this equates to approx. five (5) B-doubles.

Benefit for Industry

Samples of the types of hydrogen devices currently available include:

Depending upon the efficiency of the fuel cell device, 1 kg of H_2 provides the same brake power (i.e. the output power of a motor) as approximately six (6) litres of diesel when used in a fuel cell, or towards twelve (12) litres when used in a dual-fuel system displacing ~9% of diesel usage.

Payback periods for different hydrogen power generation and mobility devices. Utilising hydrogen available at approximately \$3 / kg H₂, payback periods for devices include:

- 6 years for B-doubles
- 5 years for forklifts
- \circ 3 years for semi-trailers.
- 2 years for a hydrogen fuel cell generating stationary electricity (displacing diesel) and generating hot water (displacing LPG) allowing \$1/kg for transport of hydrogen from RMP to feedlot.
- 7 years for a hydrogen fuel cell providing peak shaving at a RMP facility (i.e. reduction in grid power costs).



Disclaimer:

The information contained within this publication has been prepared by a third party commissioned by Australian Meat Processor Corporation Ltd (AMPC). It does not necessarily reflect the opinion or position of AMPC. Care is taken to ensure the accuracy of the information contained in this publication. However, AMPC cannot accept responsibility for the accuracy or completeness of the information or opinions contained in this publication, nor does it endorse or adopt the information contained in this report.

No part of this work may be reproduced, copied, published, communicated or adapted in any form or by any means (electronic or otherwise) without the express written permission of Australian Meat Processor Corporation Ltd. All rights are expressly reserved. Requests for further authorisation should be directed to the Chief Executive Officer, AMPC, Suite 1, Level 5, 110 Walker Street North Sydney NSW.