

NEWS RELEASE

Ballance Agri-Nutrients and Hiringa Energy welcome government support for a world-first green energy project

6 March 2020 – Ballance Agri-Nutrients and Hiringa Energy have welcomed Deputy Prime Minister Rt Hon Winston Peters' announcement today, with a \$19.9 million investment from the government's Provincial Growth Fund (PGF) to support the establishment of a world-first 'green' hydrogen project in Taranaki.

The \$50 million Green Hydrogen project at Kapuni has the potential to be a catalyst for New Zealand's transition to a sustainable, hydrogen-based transport network. The project will support significant regional economic growth through procurement, employment and opportunities for local contractors, as well as leveraging existing energy sector infrastructure and expertise in Taranaki.

The PGF investment will enable the project partners to accelerate the construction of industrial scale hydrogen from an electrolyser. The electrolyser will be powered by four large wind turbines close to Ballance Agri-Nutrients' ammonia-urea plant in Kapuni. The installed wind generation capacity of at least 16MW, will also supply renewable electricity directly to the plant.

The green hydrogen will be used as both feedstock into the ammonia-urea plant to reduce the plant's environmental footprint, and as a zero-emission transport fuel.

Ballance Agri-Nutrients CEO, Mark Wynne, says "we're very appreciative to the government, for this show of support and confidence in the project, and what it could mean for the future of carbon-neutral transport in New Zealand. These funds will be instrumental to advancing the next phase for the project.

"Ballance and Hiringa connected at a Venture Taranaki event a number of years back, and it quickly became apparent that both organisations were interested in and committed to developing green hydrogen solutions as part of a low-emissions future. It was a real meeting of the minds. We first conceived the project back in 2017 – and it very much reflects our shared commitment to exploring and transitioning to renewable energy sources.

Andrew Clennett, CEO of Hiringa Energy, says "partnering with the great team at Ballance Agri-Nutrients allows us to capitalise on the shared skills, resources and knowledge of both organisations, to deliver something of real national significance.

"We hope to provide a scalable model for other industrial operations and future decarbonisation of New Zealand's agricultural inputs by substituting green hydrogen to replace the current natural gas (CH₄) feedstock.

Hiringa is developing a hydrogen refuelling network across New Zealand focussed on decarbonising commercial and heavy vehicle fleets. This project will provide a key green hydrogen supply for network expansion. There is a natural marriage between industry, agriculture and hydrogen. Soon we will be delivering fertiliser made from wind, water and air, and trucks running on fuel made from the same elements, without emissions throughout the process.”

Ballance Agri-Nutrients’ ammonia-urea plant in Kapuni is New Zealand’s largest producer of nitrogen-rich fertiliser – which is critical to all aspects of agricultural food production, including for vegetables, fruit, meat and dairy.

Mark Wynne says, “As a farmer-owned co-operative, with more than 18,500 shareholders around the country, Ballance Agri-Nutrients has a strong focus on Kaitiakitanga - the concept of guardianship and protecting the natural environment. This is why the project also represents another important major step for us towards reducing our environmental footprint across the board, for the benefit of future generations.”

OVERVIEW & QUICK FACTS – THE PROJECT

The project is expected to provide a foundation for a hydrogen market in New Zealand so that, as a nation, we can start more aggressively taking carbon and other pollutants out of heavy transport, and develop other high-value uses for green hydrogen in our economy as part of our low-emissions future.

- Ultimately, the Kapuni Green Hydrogen production alone is expected to generate sufficient ‘green’ hydrogen to supply up to 6,000 cars, or 300 buses and trucks per year.
- The project is linked with Hiringa’s development of a hydrogen supply and refuelling network in New Zealand to enable use of hydrogen fuel cell technology for zero-emission heavy transport – displacing imported fossil fuels with home-grown clean energy.
- This is a key regional project outlined in the H2 Taranaki Roadmap launched by the Prime Minister, Jacinda Ardern, and Minister of Energy & Resources, Dr Megan Woods, in March last year.
- The project is a key step for the energy sector transition in Taranaki, with the region already having a large-scale hydrogen users in Ballance Kapuni that can provide baseload demand for green hydrogen.
- For Ballance, the manufacture of green ammonia-urea will offset up to 12,500 tonnes of carbon emissions and avoid the import of 7,000 tonnes of urea from the Middle East and Asia. Production of green urea would eliminate the equivalent amount of CO₂ as taking 2,600 cars off the road.

QUICK FACTS – GREEN HYDROGEN

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- Green hydrogen is produced from renewable electricity and water, through the process of electrolysis (producing hydrogen and oxygen).
- Hydrogen has the highest energy content of any common fuel (by weight). A hydrogen fuel cell car can refuel in 3-5 minutes and travel up to a range of 600-800km.
- When used in a fuel cell – hydrogen can enable zero-emission transportation (and recombines hydrogen and oxygen to make water).
- For commercial and heavy transport – hydrogen is a zero-emission solution that enables high availability, payloads and range.
- Green hydrogen is complementary to the electrification of transport in New Zealand, with the potential to reduce emissions from heavy transport, industrial processes and chemical production.

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