

Tasmania poised to become a global Green Methanol leader – fuelling the next wave of the energy transition.

Hydro Tasmania has announced the signing of a term sheet with Bell Bay Powerfuels for the sale of the decommissioned Bell Bay Power Station, following an Expression of Interest process launched by Hydro Tasmania in December 2022.



Launceston, Tasmania Aug 3, 2023 ([Issuewire.com](https://www.issuewire.com)) - Hydro Tasmania has announced the signing of a term sheet with Bell Bay Powerfuels for the sale of the decommissioned Bell Bay Power Station, following an Expression of Interest process launched by Hydro Tasmania in December 2022.

The \$1.2B Bell Bay Powerfuels Project currently under development by its Australian parent company ABEL Energy, with financial and project support from Iberdrola Australia, involves a green hydrogen and green methanol production facility, to be built at the power station site.

The selection of the site now accelerates project development, with front end engineering and design-FEED – due to start in a few months' time. Commercial operation is scheduled to commence in 2027.

The project will also require the development of new power generation assets, to provide sufficient renewable power for the proposed 240MW electrolyser unit. This unit will generate the green hydrogen required for the onsite production of green methanol. This safe, clean-burning, net-zero liquid is currently in strong demand as an emerging fuel for new ships on order by some of the world's largest shipping companies.

At the proposed 300,000 tonnes per annum of output, this is a global-scale green methanol project, the

largest of its kind in the Southern Hemisphere. The renewable power assets needed to produce the fuel will be developed with Iberdrola which has substantial global experience in renewable power generation.

Hydro Tasmania's Bell Bay Power Station was originally oil-fired when commissioned in 1971. It had its own deep water berth to receive the incoming ocean-going oil tankers. The berth is still in place and will be used by Bell Bay Powerfuels for the export of green methanol. The power station will otherwise be demolished although there is a desire to retain and repurpose some of the other existing structures where possible.

Construction of the project will require about 500 people, with ongoing operations involving about 250+ direct and indirect jobs.

Significant progress has already been made across other project components such as supply of biomass from certified plantations, sustainable water sourcing, engineering capability and green methanol offtake arrangements.

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Co-founder and Chief Executive Officer of ABEL Energy, **Michael van Baarle**, said:

“ This announcement is the start of a very unique period for Tasmanian renewable energy. We are on the cusp of being a global leader in green methanol production, the future fuel of world shipping. It's a great win for all Tasmanians particularly the Tamar Valley communities of George Town and Launceston.”

Chief Executive Officer and Chairman of Iberdrola Australia, **Ross Rolfe**, AO, said:

“ Iberdrola Australia's support for the Bell Bay Powerfuels green methanol project is part of our broad commitment to helping deliver decarbonisation solutions for commercial and industrial customers in historically hard-to-abate sectors. In addition to our partnership with Bell Bay Powerfuels, Iberdrola is providing technical and commercial support for the project, enabling the development to benefit from our local market expertise and global capabilities in this emerging technology.”

For more information please contact:

ABEL Energy

Simon Talbot, Director Commercial

e: s.talbot@abelenergy.com.au

m: +61 447 599 622

About ABEL Energy

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.

More information about ABEL Energy is available at: www.abelenergy.com.au

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



Media Contact

Gower Media

matt@gowermedia.com.au

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