



— Exclusive

# Tomago Aluminium to go green

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The country's biggest electricity user is aiming to switch to a predominantly renewable power supply in 2029 in a groundbreaking move that would dramatically reduce the carbon footprint of one of NSW's largest carbon emitters.

Tomago Aluminium near Newcastle is in talks with a range of suppliers for wind, solar and hydro power, although will certainly also need gas power as back-up given the critical need for round-the-clock supply, chief executive Matt Howell said.

The portfolio of new supplies would come into play after Tomago's existing electricity contract with coal power-dominated AGL expires in December 2028, although Mr Howell said there was still some way to go to make firmed renewables competitive on costs.



“Our goal would be, by 2029, that the largest load in Australia is, for all intents and purposes, 100 per cent renewable,” Mr Howell told *The Australian Financial Review*.

“[There’s further improvements on the cost of the equation to go before firmed renewables is a viable option for us](#), but we are perpetually optimistic; I think we will get there.”

Traction is also growing among other industries in NSW to locate operations close to renewable energy zones and near sites that may host green hydrogen production. Mining products supplier MolyCop and concrete recycler Concrush are among companies backing [a renewable energy industrial precinct initiative](#) by think-tank Beyond Zero Emissions in the Hunter region.

NSW Energy Minister Matt Kean told the NSW Smart Energy Summit on Tuesday that “if you’ve got an energy-intensive business – or you’re keen to build one – then NSW is the place to be”.

“We are working to place energy-intensive industries like minerals processing, IT, data centres, agriculture, manufacturing and food processing where they can take advantage of cheap, reliable energy – particularly in the Renewable Energy Zones,” Mr Kean said.

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The NSW government is seeking to bring forward investment in new clean energy generation and network capacity through [designated Renewable Energy Zones](#), and is proposing at least two hubs for green hydrogen that would support the decarbonisation of industry, with the initial focus on the Hunter Valley and the Illawarra region.

The state government expects to launch its hydrogen strategy around the beginning of November, with a target of first production of green hydrogen in 2024, said Tim Stock, project director for hydrogen and clean energy at NSW’s Department of Planning, Industry and Environment.

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batteries and pumped hydro to back up wind and solar.

But Mr Howell voiced doubts around the commercial viability of big batteries, a technology that also poses technical risks.

“It would be nice to think it can come from massive batteries ... I think there’s still a question on commercial viability, and we note with interest [what happened in Victoria with the Big Battery and the fire](#),” he told the *Financial Review*.

“There’s a risk management question that has to be answered.”

More likely is a contract with Snowy Hydro’s proposed \$600 million Kurri Kurri gas power plant in the Hunter Valley, of which [Mr Howell is a strong supporter](#).

“Until we have energy storage at scale that’s commercially viable, then it would appear to us that the Kurri peaking plant provides that thermal firming when the wind isn’t blowing at night,” he said.

Renewable energy sources say [firmed renewable power is available at around \\$70 per megawatt-hour](#), but Mr Howell said that price would “put us out of business”.

“At the moment, as it stands where we are in 2021, nobody’s able to give us firm renewable energy at a commercially competitive price, yet,” he said.

“That’s not to say that they won’t by the time our energy contract comes up for renewal – the pace of change is enormous – but that’s the truth at the moment. Firming renewable energy at scale is expensive.”



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He said that by the time Tomago’s contract with AGL expires, the Snowy 2.0 pumped hydro project would be online, while transmission lines between states and within states would have been upgraded.

“With all that in place, I don’t think it’s overly optimistic to think that there’s a solution set there that can provide affordable, reliable, renewable energy to the

“However, we’re realistic and we recognise there has to be an element of dispatchable generation that is likely to come from a thermal firming source.

“For a potline, you cannot say we’ve got enough energy to last you all year, there’s just this one five-hour period in winter where you won’t get anything, because that will kill us.”

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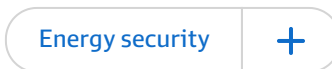
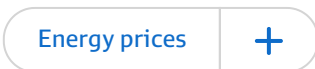
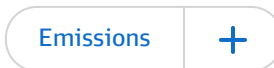
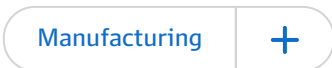
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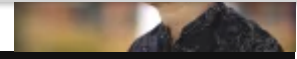
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