

5 July 2024

RE: Question on Notice: TE H2

1. In June 2023, 'Not to deal' commitments were made with five proponents for the Middle Arm Industrial Precinct, with preferred sites set aside for up to 12 months. These commitments are due to expire in June 2024. Please set out the next steps relating to your commitment, including whether it will be extended, and any consequences for your proposed activity on the site if the commitment lapses.

Dear Committee Chair, Senator Sarah Hanson-Young:

On behalf of TE H2, the current Do-not-Deal letter for Lot D on the Middle Arm Precinct expires on 30th August 2024, having been extended twice in October 2023 and in February 2024 by the Land Development Corporation (LDC). The Do-not-Deal letter includes a number of milestones for both TE H2 (as Proponent of the proposed Darwin H2 Hub) and the Northern Territory (NT) Government, with the key deliverable being the final Project Proponent Proposal (PPP), which will provide continuation of the required land certainty for Lot D in order for TE H2 to continue project development.

TE H2 is committed to complying with the agreed milestones and providing a final PPP; however TE H2 has experienced ongoing delays in milestones and is currently awaiting for various departments within the NT Government to provide critical technical information. As a result we have recently been notified by the LDC that they will continue to extend the 'Do-not-Deal' arrangement over the coming months, despite the milestone activities not able to be achieved. TE H2 has requested for the LDC to extend the 'Do-not-Deal' letter to 31st December 2024.

TE H2 requires continued land certainty on the proposed Lot D land parcel within Middle Arm Precinct as the proposed location of Darwin H2 Hub's downstream hydrogen processing facility, in order to progress with various ongoing development and engineering workstreams. TE H2 notes that the current 'Do-not-Deal' letter is only an interim measure and TE H2 requires binding and long-term land tenure access and security which is anticipated in the form of an Interim Agreement under the PPP process.

A failure to secure extensions to the 'Do-not-Deal' letter or binding land security over Darwin H2 Hub's preferred Lot D will result in the development of Darwin H2 Hub be put on hold, as this presents an unacceptable risk given other elements of Darwin H2 Hub (such as the upstream 4.5 GWp solar generation facility) would have been developed without a centralised location for downstream hydrogen production, storage and potential future export.

The timing and successful approval for the Middle Arm Precinct Strategic Environmental Assessment process is another significant requirement for TE H2's Darwin H2 Hub as the timing of these approvals will have a consequential timing and economic delivery of the proposed Darwin H2 Hub.

I appreciate the opportunity to provide further information with regards to TE H2's proposed Darwin H2 Hub development and remain available to answer any further questions the Senate Environment and Communications Committee may have.

Managing Director
TE H2 Australia