

Personalised for:  
Daniel Legg

15 November 2021

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# Chile ramps up ambition on hydrogen exports with Belgian ports MoUs

Chile has thrown more weight behind its ambition to become a major green hydrogen exporter by signing a Memorandum of Understanding (MoU) with the Belgian ports of Zeebrugge and Antwerp. But the South American nation is not alone in targeting Europe for long distance hydrogen and ammonia shipments; Australia, Namibia and others have previously announced intentions to supply Europe with the green fuel.

On November 4th, the Port of Antwerp, the Port of Zeebrugge and the Chilean Ministry of Energy signed a MoU in which they commit "to working together to make green hydrogen flows between Chile and Western Europe a reality."

Both Antwerp and Zeebrugge are major European hubs and the latter also hosts Belgium's only LNG terminal. Belgium will likely need hydrogen to decarbonise its industry, power and transport sector and is also well placed geographically to export the fuel in North West Europe. It is also one of the key locations identified by TSO group Gas For Climate for the development of a hydrogen pipeline network using existing natural gas pipelines and new pipe.

Belgium is committed, under binding EU legislation, to reduce greenhouse gas (GHG) emissions by 55% by 2030 compared with 1990 levels. This is a challenge for a nation which is relatively densely populated, making onshore wind a challenge, and which plans to phase out its last nuclear reactors by 2025. Nuclear power accounts for around 40% of its power generation capacity at present.

As for Chile, the country has set an ambitious target for 70% of electricity production to come from renewables by 2030, compared with around 30% currently.

This ambitious renewables strategy [1] is supported by its geography, which stretches from the sun-drenched Atacama Desert in the north to the windswept Patagonia in the south. But its green ambition does not end there: the Chilean government is confident that the country can lead the way in highly competitive green hydrogen production for domestic use, but also export. Its target is to produce green hydrogen at <USD 1.5/kg by 2030, compared to the current level of USD 4-5/kg. Falling costs of electrolyser technologies as well as wind and solar installations could make this achievable.

The country aims to be producing the cheapest green hydrogen by 2030 and become one of the top 3 exporters of green hydrogen by 2040.

"Our potential in clean energy will allow us to be the cheapest producers of green hydrogen in the world, with which we will be able to satisfy our demand, but also help other countries to advance with their climate goals," said Juan Carlos Jobet, Chile's energy minister, in a statement.

Meanwhile, Engie, which is an active player in both Chile and Belgium, aims to develop renewables and propose projects to launch the import supply chain of green hydrogen between

the two countries, according to the MoU. The French company targets 4GW of renewable hydrogen capacity worldwide by 2030.

Sceptics will point out that is a long way from a MoU to reality in terms of green hydrogen, ammonia and ethanol shipments from Chile to Europe. Moreover, Chile is not the only country targeting long distance shipments of green fuels.

Earlier in November, Australia's Fortescue Future Industries (FFI) – a subsidiary of Fortescue, one of the world's largest iron ore producers – signed an agreement [2] with JCB and Ryze Hydrogen in a move to become the UK's largest supplier of green hydrogen. FFI, which was established last year, aims to produce 15 mt /year of green hydrogen by 2030, but its projects around the world – for example in Australia, New Zealand and Brazil – appear to be at early stages of development.

Earlier this year, RWE Supply & Trading and Australian hydrogen project developer The Hydrogen Utility (H2U) raised eyebrows when they signed a MoU outlining plans to ship green hydrogen from Australia to Germany. Berlin has also signed MoUs with Canada, Saudi Arabia and Namibia regarding potential hydrogen imports.

Stephen B. Harrison at sbh4 GmbH consultancy told Gas Matters Today that Chile, Namibia, and Western Australia have some of the best renewables weather profiles in the world for green hydrogen produced by electrolysis. "Sunlight during the day and wind at night means high electrolyzer utilisation and low LCOH (Levelised Cost of Hydrogen)," he said. "In each of these three countries, their potential to produce far exceeds their national demand and they could become major international energy exporters."-AW



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