

# HUGS PROJECT FREQUENTLY ASKED QUESTIONS



Lochard Energy has provided answers to potential questions regarding the Heytesbury Underground Gas Storage (HUGS) Project.

If you have any additional questions, please contact Lochard Energy on 1800 848 879 or email [hugs.project@lochardenergy.com.au](mailto:hugs.project@lochardenergy.com.au)

## **WHY IS THE PROPOSED PROJECT CALLED HUGS?**

HUGS is an acronym of the project's full name, "Heytesbury Underground Gas Storage" project, and makes it easier and quicker to reference. Using acronyms is common practice for project names as they are often lengthy and referenced often.

## **WHAT IS THE HUGS PROJECT?**

The HUGS Project involves identifying depleted underground gas fields to be used for underground gas and potentially, hydrogen storage. If suitable underground gas fields are identified, new gas storage wells will be required at purpose built wellsites to inject natural gas into the well for storage.

The gas can then be transported back to the Iona Gas Storage Facility via the HUGS Pipeline and other Lochard Energy existing gas network for processing and distribution to the energy market.

## **DOES THE HUGS PROJECT INCLUDE HYDRAULIC FRACTURING OF THE SUBSURFACE ROCK (FRACKING)?**

No, this activity is banned in Victoria.

## **DOES THE PROPOSED PROJECT INCLUDE ANY SEISMIC SURVEYS?**

The HUGS Project does not require any seismic surveys.

## WHAT IS UNDERGROUND GAS STORAGE?

Underground gas storage is a key part of the Victorian and south-eastern Australian gas supply network. The process involves injecting natural gas into depleted underground gas reservoirs, where it can be accessed when demand peaks, particularly during winter, helping to supplement normal supplies.

## IS UNDERGROUND GAS STORAGE COMMON PRACTICE FOR STORING GAS?

Yes, where suitable depleted gas fields are identified. Around Port Campbell in Southwest Victoria, suitable depleted gas fields have been used for gas storage for more than two decades and around the world for more than 100 years.

## WHAT ABOUT THE HYDROGEN PIPELINE AND STORAGE?

Lochard Energy is assessing the feasibility of underground hydrogen storage in another project called H2RESTORE. Should underground storage of hydrogen be successful, the HUGS Project may be converted to hydrogen storage at a suitable time.

More information on the H2RESTORE Project can be found [here](#).

## WHAT IS RENEWABLE HYRODGEN?

Hydrogen is an odourless, colourless and lightweight zero-carbon gas. It can be stored, transported and used in a range of applications. Renewable hydrogen is produced when electricity from renewable sources such as wind and solar are used to convert water into hydrogen through the process of electrolysis.



## WHAT IS THE DURATION OF THE HUGS PROJECT AND WHEN DOES IT START?

The HUGS Project is advancing through the regulatory approvals process. The proposed construction timeframe is for some works to start in early 2025, with construction scheduled to be completed in mid-2025.

Construction of the HUGS Pipeline is targeted for the summer period of 2024/25. Dates and schedules will be confirmed once project approvals have been secured. Landowners, occupiers and the community will be kept up to date with project progress.

## WHO CAN I SPEAK TO ABOUT THE HUGS PROJECT?

All care and due diligence is taken in the preparation and implementation of any activity related to Lochard Energy's operations. We take community feedback very seriously and welcome the opportunity to directly discuss any queries about the proposed HUGS Project and HUGS Pipeline.

Please contact our Project Team on the details below.

### Lochard Energy

1800 848 879

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Iona Gas Storage Facility

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