



27 March 2025

## **Submission: Guarantee of Origin Scheme Rules**

The Australian Pipelines and Gas Association (APGA) represents the owners, operators, designers, constructors and service providers of Australia's pipeline infrastructure. APGA members ensure safe and reliable delivery of over 1,500 PJpa of gas consumed in Australia alongside over 4,500 PJpa of gas for export.

APGA and its members are at the forefront of Australia's renewable gas industry, helping achieve net-zero more quickly and affordably. We support a net zero emission future for Australia by 2050<sup>1</sup> and consider renewable gases to represent a real, technically viable approach to lowest-cost energy decarbonisation in Australia. APGA sees renewable gases such as hydrogen and biomethane playing a critical role in decarbonising gas use for both wholesale and retail customers.<sup>2</sup>

APGA welcomes the opportunity to contribute to the Department of Climate Change, Energy, the Environment and Water's (DCCEEW) consultation on Rules for the Guarantee of Origin (GO) Scheme, and commends the work undertaken to date. It is critically important that the regulatory frameworks surrounding the GO Scheme provide sufficient guidance on participation, given the complexity of the scheme and its linkages to other policy.

APGA generally supports the proposed Rules, with some comments.

### **Operation of GO Scheme for gas infrastructure operators**

Over the last two years of consultation on the GO Scheme, APGA has been focused on the ability for the scheme to be designed in such a way that it is compatible with existing gas transmission and distribution networks. Blending of renewable gases into shared infrastructure is currently and likely to remain for some time the preferred method of distribution of renewable gases, hence it is critical for the scheme to accommodate this.

The Rules as drafted appear to permit the interaction of GO Scheme participants and gas networks/facilitated markets, as supply chain emissions information is provided at point of entry *into* those networks. However, there are some aspects that may introduce complexity that may be burdensome for participants.

### **Product consumption information**

The Act requires the reporting of post-production information, including the 'nature of consumption of the product'. This is reasonable for single large facilities – for example, a

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<sup>1</sup> APGA, *Climate Statement*, available at: <https://www.apga.org.au/apga-climate-statement>

<sup>2</sup> ACIL Allen, 2024, *Renewable Gas Target – Delivering lower cost decarbonisation for gas customers and the Australian economy*, <https://apga.org.au/renewable-gas-target>

steel manufacturer using hydrogen as an input into the production of green steel. But for multiple facilities, such as a gas distributor or retailer with many thousands of customers, granular consumption information for each of their customers is not feasible.

The Rules or Act do not state the level of specificity required to meet this requirement. This should be made clear by DCCEEW, and should be flexible to accept broad assumptions (such as ‘consumption’ in the case of multiple facilities – particularly gas networks).

### **Distributor role in chain of custody**

It is appropriate that gas distribution network operators are involved in the scheme to the extent that the point of entry into those networks is considered a delivery gate. However, given that they may ultimately be responsible for the consumption information of many thousands – or in the case of Victoria, millions – of customers, the necessity to be involved with the *registration* of each batch of product that flows through their infrastructure may result in an unnecessary burden of reporting.

If it is the intent of the Scheme that this can be handled in bulk and on behalf of the distributor, this should be made clear to potential scheme participants.

### **Timing of Scheme commencement**

The GO Scheme is linked to a number of other key renewable gas industry development policies, namely the Hydrogen Production Tax Incentive (HPTI) and the proposed market-based method for renewable gas in NGERs.

DCCEEW anticipates the necessary methodology determinations and other frameworks will be in place, and the GO Scheme operating by mid-2025, well in advance of the commencement of the HPTI in 2027. It is imperative that this work is completed as soon as possible, as investment planning for HPTI-participating projects will already be underway. Integration with the GO Scheme will be necessary to achieve FID for these projects.

If there is a possibility that GO Scheme implementation timeframes may be extended, DCCEEW must explore interim solutions or advice that permit these projects to proceed. APGA recommends DCCEEW consider utilising the existing Renewable Gas Guarantee of Origin under the GreenPower scheme while further regulations and methodologies are developed. A transition period should also apply for projects to transition to the Product GO Scheme when it is finalised.

### **Prioritisation of biomethane**

The consultation paper notes that PGO certification will commence with hydrogen and expand to other products “such as low carbon liquid fuels and green metals.”

The omission of biomethane here is out of step with the Government’s commitment<sup>3</sup> towards including biomethane in the GO Scheme through a methodology determination. APGA understands that hydrogen production from biogas is ‘on the list’ for methodology

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<sup>3</sup> DCCEEW, 2024, <https://minister.dcceew.gov.au/mcallister/media-releases/guarantee-origin-key-superpower-status>

determination, but a specific methodology for biomethane must also be a priority to provide consistent and clear signals for investment for this developing market.

APGA recommends prioritising this alongside the hydrogen from electrolysis methodology, which we understand is currently underway and notes much of this work will have already been done in support of GreenPower's Renewable Gas Guarantee of Origin certificate scheme.

To discuss any of the above feedback further, please contact me on +61 409 489 814 or [crafael@apga.org.au](mailto:crafael@apga.org.au).

Yours sincerely,



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