

28 May 2026

Clean Energy Regulator
Department of Climate Change, Energy the Environment and Water
CER-StrategicPolicy@cer.gov.au

Dear Clean Energy Regulator team

Re: Guarantee of Origin Scheme – Proposed cost recovery new production pathways

Thank you for the opportunity to comment on the draft Guarantee of Origin (GO) Cost Recovery Implementation Statement (CRIS) and the proposed cost recovery arrangements for new production pathways.

ATCO operates WA's largest gas distribution network and is seeking to use biomethane to meet its own Unaccounted for Gas (UAFG) requirements. Our comments are provided from the view of a potential customer and distributor of renewable gases.

We support the inclusion of the specified production methods for biomethane and hydrogen within the Product GO framework. The development of these pathways is an important step in building a credible market for renewable gas and providing customers with confidence in the emissions attributes of the gas purchased.

The draft CRIS sets out the proposed fees, levies, and remission pathways for biomethane and hydrogen as part of the prioritised Product GOs within the first financial year of the scheme operation. Our key concern is the disproportionate cost imposed by the proposed charging model relative to the current maturity of the renewable gas market. While we understand the need for cost recovery over time, the draft CRIS proposes a pricing structure for biomethane and hydrogen that appears too high for an emerging market where production volumes, participation, and customer demand are still developing. In our view, a voluntary certification scheme should enable market formation, not impose costs that risk slowing market development.

For that reason, we encourage the Clean Energy Regulator to link the phase-in period more directly to actual market development, rather than relying on a fixed timetable and discount schedule as suggested in the CRIS. A longer or more flexible deferral period for biomethane would better reflect the commercial realities of an emerging renewable gas sector. If market volumes remain low, fixed and per-certificate costs will have a disproportionate effect on participants and customers. A preferred approach is to allow the Clean Energy Regulator to review the cost recovery settings over time.

We encourage the Clean Energy Regulator to consider the practical comparison customers will make between certified renewable gases and Australian Carbon Credit Units (ACCUs). Buyers seeking to reduce emissions will assess options based on cost, credibility, and ease of use. If the cost of demonstrating the renewable attribute of renewable gases is too high, customers may instead choose ACCUs as a lower-cost alternative for meeting emissions objectives.

The system should not inadvertently prioritise the use of ACCUs or offsets over the use of an energy product with less carbon emission impact. Renewable gases can support physical decarbonisation by displacing natural gas and encouraging investment in renewable gas production, infrastructure, and supply chains. Those system benefits are different from, and broader than, the purchase of offset units alone. The cost recovery settings should therefore be calibrated so they do not discourage customers from purchasing the physical renewable product.

In summary, ATCO Australia supports the inclusion of biomethane and hydrogen in the GO production pathways, but recommends that the final cost recovery model:

- retain biomethane and hydrogen as eligible pathways,
- better reflect the early-stage maturity of the renewable gas market,
- tie the phase-in of charges more closely to demonstrated market development, and
- avoid settings that make certified renewable gases less attractive than ACCUs in a way that discourages physical decarbonisation.

Thank you for considering this submission. We would welcome further engagement on settings that can support both scheme credibility and practical market uptake.

About ATCO

ATCO is a global integrated energy, housing, transportation, and infrastructure company that has been operating in Australia since 1961. Our Australian footprint includes the ownership and operation of Western Australia's largest natural gas distribution network and power stations in Karratha, WA and Osborne, SA. We have a long history of partnering with communities and Indigenous groups, energising industries, and delivering customer-focused infrastructure solutions.

Should you have any queries or would like to discuss any of these issues further, please contact Kiran Ranbir, Principal Policy Advocacy on 0432 158 656.

Yours sincerely



Russell Godsall

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