

Guarantee of Origin cost recovery webinar questions

The tables below contain questions raised during the <u>Guarantee of Origin (GO) cost recovery webinar series</u> held from 7 to 9 July 2025, which were not responded to during the sessions due to time constraints. These responses have been prepared with input from the Department of Climate Change, Energy, the Environment and Water.

Responses to other questions posed during the webinars are available in the <u>webinar recordings</u>. Please email CER-GO@cer.gov.au with any further questions on the proposed cost recovery approach.

7 July 2025 webinar Q&A | Product Guarantee of Origin: hydrogen

Question Response Why do GO certificates track Product Guarantee of Origin (PGO) certificates are designed to enable robust, transparent claims about the supply chain emissions consumption, and not end at the dispatch gate for the associated with low-emissions products they represent. To achieve manufacturer? this, the scheme defines a system boundary that extends beyond production through to the point of consumption (i.e. the delivery gate). This approach aligns the GO scheme with international best practice, allowing greater interoperability with both domestic and overseas certification schemes. While some frameworks may focus on production only, or account for consumption emissions separately, the GO scheme's well-to-delivery gate boundary ensures a more comprehensive picture of the product's lifecycle emissions. Key benefits of this approach include: recognition of a product's end user in a domestic setting and a connection point with international markets when a product is exported enabling modular reporting, allowing different entities across the supply chain to contribute emissions data, where authorised visibility of emissions and other attributes across an entire supply chain flexibility for other schemes (e.g., the Hydrogen Production Tax Incentive or Hydrogen Headstart) to draw on specific GO certificate data as needed.



9 July 2025 webinar Q&A | Product Guarantee of Origin: other products

Question

With a product that has many production pathways such as hydrogen, is there a single PGO process for hydrogen, or is the PGO process based on the production method? If by production method, won't this disadvantage other hydrogen production methods such as gasification of biomass or biocatalyst of biomass?

Response

Product Guarantee of Origin certificates will be issued for specific product production pathways, with hydrogen produced from electrolysis being the first product to be certified under the scheme. The scheme will be expanded to include other hydrogen production pathways, such as from steam methane reforming and gasification, as well as other products.

New products and production pathways will be added to the Draft Methodology Determination as new chapters to include emissions accounting approaches for new products and production pathways.

The Department of Climate Change, Energy, the Environment and Water is consulting on the proposed schedule for the near-term expansion of the scheme.

8 July 2025 webinar Q&A | Renewable Electricity Guarantee of Origin

Question

Response

With the REGO being a voluntary scheme and the proposed cost recovery, what is the benefit for a company to register for the REGO scheme?

The Renewable Electricity Guarantee of Origin (REGO) scheme will provide certainty for renewable electricity investment and procurement, and support Australia's energy transformation. It can underpin renewable electricity claims for corporate renewable electricity or emissions reduction commitments, or as evidence of renewable inputs for PGO certification. REGO builds on the design strengths of the large-scale generation certificate (LGC) certification framework under the Renewable Energy Target and expands certification eligibility to energy storage and 'below-baseline' renewable electricity, generated by power stations that existed pre-1997.

Can PGOs also be used to generate REGOs? For example, if biomethane was sent through a gas pipeline to a gas powered electricity generator? No, product Guarantee of Origin (PGO) certificates cannot be used to generate REGO certificates. The scheme design for REGOs requires the direct measurement of the quantity and quality of eligible renewable energy sources going into electricity generation. A renewable electricity generator is not able to transfer and retire product GO certificates to lay claim to the renewable energy properties of biomethane gas injected into a gas network.

Question

The pre-1997 facilities for belowbaseline certificates limits, in practice, below-baseline to Snowy Hydro and Hydro Tasmania. Is this a fair advantage of these facilities being able to create below-baseline where others can only create normal REGOs?

Response

Under REGO, registered renewable electricity facilities can create REGOs for electricity above their baselines, and below-baseline REGOs for electricity below their baselines.

All power stations accredited under the Renewable Energy Target (RET) or electricity generation systems that would have received a baseline under the RET (if accredited) will receive a legacy baseline under REGO if registered.

If:

- a. a facility is an accredited power station; and
- b. the 1997 eligible renewable power baseline for the facility is greater than zero;

that baseline is the *legacy baseline* for the facility.

If:

- a. the Regulator registers a facility that includes a component which generated or contributed to the generation of electricity before 1 January 1997; and
- b. the facility is not an accredited power station;

the Regulator must determine a baseline for the facility.

Any registered renewable electricity facility with a legacy baseline under REGO would create below-baseline REGO certificates for electricity below the facility's baseline.

There are proposed to be restrictions on the retirement of below-baseline certificates. These are included in sections 52 and 53 of the draft Future Made in Australia (Guarantee of Origin) Rules 2025 (the Rules), accessible on the <u>Department of Climate Change, Energy, Environment and Water website¹.</u>

The designation of below-baseline certificates and the proposed restriction on their retirement ends on 1 January 2031.

Is timestamping of REGO certificates voluntary, and is the period of the timestamp (e.g. hour, day, month) fixed once chosen or can it be changed in future?

All REGO certificates will be timestamped with the relevant time period associated with electricity generation or dispatch. Facilities will have the flexibility to choose the time period certificates can be created in respect of. The time periods may be a:

- whole hour
- calendar day

¹ https://app.converlens.com/climate-au/exposure-drafts-of-the-legislative-instruments-that-will-support-the-go-scheme#consultation-documents

Question Response

- calendar month
- calendar year.

However, certificates must account for auxiliary losses in operating and maintaining the facility. Since these may not align directly with the time periods of generation or dispatch, they are calculated over a longer duration of time. This is intended to be a month for hourly, daily or monthly time periods.

Certificate time periods, or the longer duration of time they are calculated over, cannot overlap. This means that registered renewable electricity facilities could choose to switch between the timestamp periods for REGO certificates, at most, each calendar month.

For example, a participant may not commence a month by timestamping on a daily period for a few days, then swap to a calendar month time period, as there would be an overlap. In this example, the participant must wait until the end of the calendar month to change the timestamp period for the subsequent calendar month.

This approach assures the accurate calculation of eligible amount, while allowing facilities the flexibility to change the time period that certificates are stamped with at reasonable intervals.

With surrender of REGOs from PGO facilities, would the REGO need to be timestamped? I.e., to achieve 24/7 CFE. Or non-timestamped REGOs sufficient to reduce the emissions intensity of production?

Under product GO (PGO) methodologies, producers of PGO-certified products can report renewable electricity used in the production of a product batch. Evidence of renewable electricity usage may be provided by eligible renewable electricity certificates, including REGOs and large-scale generation certificates (LGCs). These certificates may be voluntarily retired to reduce electricity emissions of a PGO production batch, subject to requirements of the PGO methodology.

The PGO methodology does not impose a requirement that the time of generation of the renewable electricity certificates must match the time of electricity use in production. Time matching is not required under the PGO scheme.

Will REGOs have vintages in terms of when they will be retired or will they be limited to 24 months trading? The <u>draft GO rules currently out for public consultation</u>² set a requirement that an application must be made to retire REGO certificates within 24 months after their time period and within 18 months after their time period for below-baseline REGO certificates.

Submissions from industry on the proposed retirement requirements will be welcome through the consultation process.

² https://app.converlens.com/climate-au/exposure-drafts-of-the-legislative-instruments-that-will-support-the-go-scheme

Question	Response
When will REGOS first be able to be created, traded and retired?	The REGO scheme is scheduled to launch in the second half of 2025. More details around scheme commencement will be announced in coming months.
Does Small Generation include <100KW systems?	For the GO Act, small generation unit has the same meaning as in the Renewable Energy (Electricity) Act 2000.
Why is the threshold for 'small systems' 10MW? 5MW would be a good threshold to align with AEMO's scheduled generator threshold.	For the purposes of cost recovery, 10MW is the threshold for the tier of fees applied to 'small' systems in the Renewable Energy Target scheme. In line with the proposal that REGO cost recovery arrangements align with RET at scheme launch, this same 10MW threshold is proposed to be applied for REGO cost recovery at scheme launch.