Brickworks

Questions	Responses
1.Do you agree with the definitions of biogas, biomethane, renewable hydrogen and other renewable gases outlined in the paper in Section?	Yes
If not, what should they be?	
2.Do you agree with an initial focus on biomethane and renewable hydrogen?	Yes
If not, why not?	
3.Should the pilot be open to other renewable gases?	No
If so, which and why?	
4.Do you agree with the eligibility criteria proposed in Section 4?	No
If not, why?	We believe these criteria are too complicated and restrictive. Brickworks is a larger consumer of natural gas, consuming up to 4PJ across Australia. We are supportive of the GreenPower initiative to introduce a scheme to verify renewable gas claims. However, as a large potential buyer of renewable gas, we believe that GreenPower should replicate the same emission reduction outcome for buyers of renewable gas that is injected into a network as would occur if the renewable gas was directly transported to one of our plants. We do not believe the GreenPower's draft proposal achieves this outcome. We are uncertain how GreenPower is intends a buyer to use a RGC. A RGC should simply represent 1 GJ of biomethane. A buyer would use RGCs to reduce their scope 1 emissions by 1 GJ multiplied by the difference between the fossil fuel emissions displaced (eg natural gas) and the NGER scope 1 emission factor for the combustion of biogas. This is what occurs if biomethane is directly transported to our plants in our NGERs reporting. The rules should be broad enough to cover all biomethane facilities that are capable of injecting gas into a network, the ability to create 1 RGC for every 1 GJ of gas injected into the network. If the scheme is too narrowly defined, or places additional obligations (eg GreenPower electricity, offsetting scope 3 etc), then the number of RGCs created will be less than the GJ of biomethane produced. If this occurs, we do not see how we could effectively utilise RGCs. Brickworks is available to meet with GreenPower to discuss further in detail on the requirements we have for a renewable scheme.
5.Are there other eligibility criteria that should be included, and what would they achieve?	No

6.Which technologies and production processes should be included in the pilot?	
7.What factors do you consider essential when defining best practice planning compliance and environmental management?	
8.Do you agree that only projects that displace network gas use should be eligible to participate in the pilot?	No
If not, why not?	There may be projects that displace other fossil fuels (such as LPG or LNG), and the rules should not restrict what fossil fuel is being displaced.
9.Should behind the meter production and use projects without a network connection be able to participate in the pilot, and why?	Yes, as long as they can prove the displacement of fossil fuel and there are rules to prevent double counting emission reductions with those reductions that automatically occur if a renewable gas is directly transported to an end-user's facility in their NGERs scope 1 emission reporting. That is, an end user should not be able to claim NGER scope 1 emission reduction and also sell RGCs to another buyer.
10.If behind the meter projects without network connection were eligible, how could metering and other verification activities be done?	These renewable gas projects are likely to require metering. Therefore, sufficient metering by both the producers and the gas users or even energy invoices could be used.
11.Are there any barriers to injecting renewable gas into the network in your jurisdiction that GreenPower should be aware of for the pilot?	No
12.Do you agree with the proposed national network boundary approach allowing the sale of certificates across Australia?	Yes
If not, why?3	
13.Do you agree with the pilot aligning eligible feedstocks with the ERF methodology?	No
14.Should any other feedstocks be included? Which ones, and why?	We do not agree that GreenPower should restrict renewable gas facilities to only those that are eligible under one of the ERF Biomethane methodologies. While the release of Biomethane facilities is a good first step, additional methodologies or a broader methodology is required to ensure that all Biomethane facilities are treated equally. Restricting biomethane facilities to only those eligible under the ERF will result in some facilities not being eligible. Any biomethane that is capable of being injected into a network should be eligible to create RGCs.
15.Do you see any risks of unintended consequences from incentivising anaerobic digestion of waste-derived feedstocks and landfill gas capture?	No
If so, which risks and are there any risk mitigation options?	

16.Should the use of energy crops be permitted?	Yes
Why or why not?	The eligible feedstocks list should be all organic waste.
17.If energy crops were eligible, what conditions and considerations would ensure these projects still adhere to the principles of Ecological Sustainable Development?	
18.Should methane produced using hydrogen methanation of the carbon dioxide in biogas be included?	
19.Do you agree that, for project assessment, the pilot should use the cradle to gate approach?	No
Why or why not?4	The facility should not be required to purchase GreenPower electricity or offset emissions at or upstream of the facility. These emissions are upstream of the end user's facility, and we believe RGCs should represent the GJs of renewable gas injected into the network which reduces the end user's scope 1 emission. We do not believe RGCs should be considering emissions occurring at the facility itself because our view is that RGCs are not zero emission and should have the relevant emission factor for biogas as defined in the NGER Determination. However, we note under the ERF Biomethane methodologies a facility can create ACCUs related to natural gas displacement. In this case, a facility that creates RGCs should only be eligible to do so if it either does not create ACCUs from the displacement of natural gas or voluntarily surrenders them. This is required to avoid double counting natural gas displacement emissions.
20.Do you agree with the definition of the gate being the gas network injection point?	No
If not, why not and do you have a recommendation for what it should be instead?	this should be better defined for behind the meter projects.
21.Are there any other LCA standards or requirements other than those outlined in Section 5 that should be considered?	
22.Should there be different requirements for biomethane and hydrogen projects?	
If so, what should they be?	
23.Do you agree that fugitive emissions from gas network pipelines are not considered in the projects LCA?	Yes
If not, how should fugitive emissions be treated?	
24.Do you agree that producers must offset any emissions before a certificate can be created?	No

If not, why?	The facility should not be required to purchase GreenPower electricity or offset emissions at or upstream of the facility. These emissions are upstream of the end user's facility, and we believe RGCs should represent the GJs of renewable gas injected into the network which reduces the end user's scope 1 emission. We do not believe RGCs should be considering emissions occurring at the facility itself because our view is that RGCs are not zero emission and should have the relevant emission factor for that gas as defined in the NGER Determination. However, we note under the ERF Biomethane methodologies a facility can create ACCUs related to natural gas displacement. In this case, a facility that creates RGCs should only be eligible to do so if it either does not create ACCUs from the displacement of natural gas or voluntarily surrenders them. This is required to avoid double counting natural gas displacement emissions.
25.Should other carbon offsets other than ACCUs be permitted to offset upstream emissions?	We do not agree that a facility should be required to offset upstream emissions. An RGC should simply represent 1 GJ of biomethane.
26.Do you agree that renewable gas no longer being available for its current use does not need to be assessed as part of a project's LCA?	No
If not, why?	Landfill gas presents an opportunity to further support the decarbonisation of the natural gas network
27.Are there any schemes other than the CER's ERF methodology, the Australian Government's hydrogen GO scheme, and the Smart Energy Council's Zero Carbon Certification Scheme with which the pilot may interact?	Yes, the Renewable Gas scheme recently legislated by the NSW Government which includes a green hydrogen target.
28.What linkages between these schemes and the pilot should be considered?	No double counting

29.What recognition by existing schemes is needed for the pilot to provide value for customers?	We believe the principle of the creation of Renewable Gas Certificates should mirror the reduction on scope 1 emissions that occurs if the renewable gas facility was directly connected to the end user's facility. For example, a biomethane facility that has a direct pipeline to the end user's facility will result in reduced scope 1 emissions due to each GJ of biomethane having an emission factor of 6.43 kgCO2/GJ in their National Greenhouse and Energy Reporting (Refer to Schedule 1 Part 2 Item 30 A biogas that is captured for combustion, other than those mentioned in items 28 and 29 (methane only) of the National Greenhouse and Energy Reporting (Measurement) Determination 2008 (NGER Determination)). If the same user was to buy the same quantity of biomethane that is injected and blended into a network, that user would be required to report scope 1 emissions using an emission factor of 51.53 kgCO2/GJ (refer to item 17 Natural gas distributed in a pipeline in the NGER Determination). If Renewable Gas Certificates (RGCs) were created for the facility, it should create the same number of RGCs as the number of GJs injected into the network. This one for one equivalence would allow the user to claim in their sustainability reporting emissions from the notional consumption of the biomethane at 6.43 kgCO2/GJ rather than the 51.53 kgCO2/GJ as is required to be reported in NGERs. This is equivalent to how Greenpower LGCs are currently used, as they allow a user to claim an emission factor of 0 in their sustainability reporting for the notional consumption of the number of KWhs of renewable generation rather than reporting the applicable electricity emission factor required to be reported in their NGERs report. All of our comments reflect our view of what the ultimate purpose of RGCs should be, and we do not agree with proposed rules and restrictions that appear to severely limit eligibility and/or the number of RGCs that can be created that would cause the number of RGCs to be created to be significantly less (or zero) than the physical GJs of renewable gas injected into the network. The final rules for creating RGCs must align with the reduced scope 1 emissions of the end user's facility regardless of whether the renewable gas was directly transported to the end user's facility or was injected and blended into the gas network. If the final rules fail to achieve this objective, then we are unclear on what a RGC represents and we would not see value in RGCs. The most important outcome for end users is to ensure there is a credible scheme that simplifies how an end-user can receive the full emission reduction they should be entitled to report in their sustainability reporting for purchasing renewable gas.
30.What design elements of the pilot are most crucial for recognition by other programs and schemes?	
31.Do you agree with the proposed approaches in Section 7 for non-ERF and ERF projects?	
If not, which step should be changed and why?	
32.Do you agree that any displacement ACCUs should be surrendered before an RGC is created?	

If not, why not?	
33.Do you see any risks with the alternative approach of the displacement ACCU being surrendered at the same time as the RGC is surrendered?	
34.Do you agree with the decoupled approach being applied for the pilot?	Yes
35.Please specify why you think one or the other is more suitable, and if any other options should be considered.	This approach will increase the value, flexibility, and transaction of RGC. It will also ensure similarity with LGCs
36.Do you agree with the proposed approach of using an existing registry for the pilot?	Yes
If not, why not?	
37.Is it important for customers to be able to access the registry and manage their own surrenders?	Yes
38.Is there a particular registry functionality other than those mentioned in Section 8 of the paper that you think should be included in the pilot, and why?	
39.Do you agree with the proposed attributes listed in Section?	No