22 March 2022

National GreenPower Accreditation Program
NSW Department of Planning, Industry and Environment
Lodged via website

Dear Sir/Madam,

Renewable Gas Certification Pilot consultation paper

The Clean Energy Council (CEC) welcomes the opportunity to provide feedback on the proposed design of GreenPower's Renewable Gas Certification Pilot.

As you're aware the CEC is the peak body for the clean energy industry in Australia. We represent and work with over 950 leading businesses operating in renewable energy, energy storage, and renewable hydrogen.

GreenPower has played a very valuable role in supporting the growth of the renewable electricity sector over the past quarter of a century by enabling voluntary action and building consumer trust. Once again in 2022 and beyond, it can begin to support a new nascent industry by building consumer trust and supporting the tradeability of renewable hydrogen, biomethane and other renewable gas products that may emerge.

In evolving the certification offering, it is imperative that the design of the new scheme safeguards the credibility and integrity of the GreenPower brand, and as such we welcome the opportunity to provide feedback on the key design questions set out within the consultation paper.

We provide responses to many of the questions and proposals raised in the consultation paper in the appendix, but would like to highlight the CEC's feedback on a number of the key design issues below:

1. **The scheme must be designed for both renewable hydrogen and biomethane projects** – While the immediate priority of the pilot is to develop a certification scheme for a biomethane injection project for a gas network, the scheme should be designed with a wider range of renewable gas products and usage cases in mind. We note that the renewable hydrogen production process is quite distinct from that of biomethane and it will be important that the scheme design is flexible and inclusive to the different gases and the range of different applications.

2. **The eligibility criteria should not be constrained to displacement of network gas** – While the CEC acknowledges that there may be some practical challenges involved in opening up the Renewable Gas certification scheme to a wide range of green gas use cases, we are unconvinced of the need to constrain the pilot scheme to projects which displace gas on existing networks only. We suggest that renewable gases which are produced/collected and used to offset other non-renewable energy demand should be eligible for certification as renewable gas.

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3. **Support for a national boundary scope and decoupled approach for molecules and certificates** – While there is merit in both the 'physical' and 'national' boundary models for the scheme, the CEC supports the GreenPower proposal for a 'national boundary' in the interests of consistency of treatment with Renewable Energy Certificates, and to deliver greater market efficiencies and competition – while still delivering the same emissions reduction outcome sought by consumers/buyers. Similarly, the decoupling of Renewable Gas certificates from renewable gas molecules – while more complex to understand for consumers – will support a more efficient, flexible, liquid and competitive market, ultimately leading to lower costs for renewable gas consumers, and therefore should be embraced.

4. **Defining and certifying renewable hydrogen** – The CEC notes that while an accounting methodology has been broadly developed and agreed to by the International Partnership of Hydrogen in the Economy (IPHE) for renewable hydrogen – which is the basis for the trials about to begin for Australia's Guarantee of Origin scheme for hydrogen – we are unaware of a similar framework for biomethane. In addition, while we may have an accounting framework for renewable hydrogen, an international standard for what constitutes renewable hydrogen (including tolerances for any residual emissions in the production process) is currently the subject of discussion in a number of fora (ie. the Green Hydrogen Organisation, the International Standards Organisation). Ultimately, it's likely to be important that the GreenPower certification scheme is broadly aligned with the key design of these schemes, noting that investors (particularly if there is foreign investment involved in projects) may seek accreditation under international schemes.

5. **The renewable electricity sector is a critical stakeholder in the development of this Renewable Gas scheme** – The GreenPower brand is of considerable value to the renewable electricity sector, which has a significant stake in the success of the brand extension to renewable gases. As such, the CEC – as the peak body for the renewable energy industry – would welcome a seat at the table on the project steering committee for the pilot's implementation.

Please find overleaf a summary of our responses to many of the other questions raised in the consultation paper, and we look forward to engaging you with you over the coming months as the pilot moves from planning to implementation.

Yours sincerely,

Anna Freeman
Policy Director – Electrification & Hydrogen

APPENDIX

RESPONSES TO SELECT CONSULTATION PAPER QUESTIONS

Section	Design characteristic	Proposal	CEC position
3	Renewable gases to be included in the scheme, and their definitions	Inclusion of: Biomethane Renewable Hydrogen Requests feedback on inclusion of other 'zero emissions alternatives', eg. Di-methyl ether and synthetic methane.	Broadly supported. Regarding definitions, the CEC notes that while an accounting methodology for renewable hydrogen has been broadly developed and agreed to by the International Partnership of Hydrogen in the Economy (IPHE), an international standard for the emissions profile of green hydrogen is currently the subject of discussion by the Green Hydrogen Organisation. This Standard will be published in May 2022, and there is value in Green Power engaging with this process to explore alignment on key features. Flexibility should be retained to consider other renewable gases in the longer term, but only where these are both genuinely renewable (given GreenPower's existing brand purpose and DNA) and zero carbon emissions.
4	Eligibility criteria for pilot	• Operation to start 2020 or after • Only waste-derived feedstock; or • Eligible renewable gas production process/tech • Must displace network gas use and have approval for gas network connection. • Must adhere to ecological sustainable development principles • All electricity associated with renewable hydrogen by electrolysis to be matched with	Broadly supported. • While we appreciate that limiting the pilot's scope to the displacement of network gas may simplify the pilot, we are concerned about potentially placing unnecessary constraints on the type of projects. We also suggest that trialling other applications (eg. behind the meter deployment) could provide valuable learnings. • In the interests of protecting the Green Power brand, we suggest that biomethane projects (as well as renewable hydrogen projects) should

Section	Design characteristic	Proposal	CEC position
4 cont'd…		GreenPower purchases. • Must demonstrate best practice compliance with planning approvals and environmental management procedures.	be required to use accredited GreenPower where additional electricity is required to power production process. • We suggest that the term 'Best Practice compliance' is likely confusing and unnecessary. Compliance should simply relate to a project meeting required standards and regulatory obligations.
		Projects required to displace network gas use as part of the pilot. Projects that do not have a gas network connection will not be able to participate in the pilot, in order to ensure that projects displace existing gas, and to reduce the risk of overlap with other hydrogen certification schemes	• As noted above, while we appreciate that limiting the pilot's scope to the displacement of network gas may simplify the pilot, we are concerned about potentially placing unnecessary constraints on the type of projects. We also suggest that trialling other applications (eg. behind the meter deployment) could provide valuable learnings.
		Gas network boundary: Customers do not need to be part of the same gas network as the producer (known as a 'national boundary'). This approach would be similar to that used for Renewable Electricity Certificates under the RET.	The CEC considers that the 'national boundary' approach would be preferable to a 'physical boundary' approach for promoting market efficiencies and competition, while still delivering the same emissions reduction outccomes sought by consumers/buyers. This would also be consistent with the approach used for the creation of Renewable Electricity Certificates. Should it be important to renewable gas buyers to purchase certificates from their same physical grid, there is an opportunity for buyers to identify (and select) certificates

Section	Design characteristic	Proposal	CEC position
			created from specific gas networks, should GreenPower require producers to record the 'grid of origin' during the registration process (as currently proposed).
		Eligible feedstocks for biomethane: Biogas from - • Food waste • Wastewater treatment to be permitted. Energy crops (plants grown for use in energy generation) would be excluded on the basis of environmentally sustainable development.	Support these positions. GreenPower should also consider the potential for the use of agricultural waste.
5	Project scope and treatment of emissions	'Cradle to gate' project boundary (up to injection point in the gas network) proposed for emissions accounting/life cycle analysis.	Support this position.
		Fugitive emissions from gas network pipelines should not be considered as part of the emissions of the renewable gas, given the small blending rates in question	Support this position.
		Offsetting emissions associated with the renewable gas should be allowed on the basis that customers would like a fully carbon neutral renewable gas.	The CEC has opposed offsets for the Australian Government's clean hydrogen guarantee of origin scheme, on the basis that it would allow blue hydrogen projects to simply buy offsets, rather than reduce emissions. In this case, the CEC supports offsets – which we would expect would be required for very small volumes of emissions if at all – on the basis that the offsets are only

Section	Design characteristic	Proposal	CEC position
			available to renewable gas projects. The scheme should consider whether any additional guardrails are required to ensure that offsets are only relied upon where it is not otherwise possible to eliminate emissions from the project. The CEC supports GreenPower's proposal for only domestic offsets to be recognised by the scheme.
		Projects would not be required to consider original baseline emissions and whether the diversion of biogas or biomethane from existing uses for injection in the renewable gas network would increase overall emissions.	The CEC supports this position on the grounds of the cost and complexity of modelling the emissions impacts, as well as on the basis that it would effectively grandfather abatement technology choices.
6	Interaction with other schemes	GreenPower is considering the interaction of this Renewable Gas scheme with other schemes, including the Australian Government's Guarantee of Origin for hydrogen.	It will be important to explore and understand the interactions with other schemes in greater detail, to ensure that the scheme is complementary rather than duplicative of the Australian Government's scheme. This scheme is an opportunity to provide specific support for renewable energy-based hydrogen and gas projects, which will be helpful.
7	Transaction steps for pilot certificates	Projects participating in the Emissions Reduction Fund will need to surrender any Australian Carbon Credit Units created in relation to the displacement of fossil fuel gas, prior to the creation of Renewable Gas Certificates, in order to avoid *'two certificates for the same environmental*	Support this position.

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		benefit being active at the same time'	
8	Other pilot design elements	Coupled v decoupled certificates and physical gas molecules: GreenPower proposes that the decoupled approach should be adopted for the pilot, which means that a renewable gas certificate represents the environmental attributes of the gas, which can then be applied to any gas use within the pilot's network boundary, and that this approach should be applied to the 'national network boundary' as discussed earlier in section 4. This approach aligns with the approach for large-scale generation certificates under the Renewable Energy Target, and provides flexibility.	While more complex to understand for consumers – the decoupling of renewable gas certificates from renewable gas molecules will support a more efficient, flexible, liquid and competitive market, ultimately leading to lower costs for renewable gas consumers, and therefore should be embraced.
		Registry functionality: the pilot registry will operate similarly to the LGC registry operated by the Clean Energy Regulator, allowing for the creation, trading, surrender or cancellation of Renewable Generation Certificates.	Broadly supported, however the CEC would welcome greater clarity on what the interaction will be with the CER's own registry for the Guarantee of Origin scheme for Renewable Hydrogen.
		Gas attributes captured in the registry certificates: 1. Producer details (business name, facility location, jurisdiction) 2. Technology used for production	Broadly supported

Section	Design characteristic	Proposal	CEC position
		3. Feedstocks and energy sources used 4. Water use per unit of gas, and type of water (eg. recycled) 5. Location and gas network where injected 6. Time period of injection 7. Emissions intensity of the gas (before and after use of offsets) 8. What, if any, ACCUs or other offsets or certificates were created and surrendered.	
		Functional unit of measurement: the functional unit for renewable gas could be 1kWh, 1MWh or 1GJ. GreenPower could operate in kWh with a conversion into GJ on the certificate, or simply in GJ. It seeks feedback on the approach.	We note that gigajoules (GJ) is the standard measurement unit utilised for gas in Australia and presents the most straight forward option. One gigajoule can be readily converted into MWh/Kwh where required (1 GJ = 3.6 MWh).
		Certificate period of validity: GreenPower will consider applying a validity period of 36 months for the renewable gas certificates, to align with the requirements for LGCs under the Government's Climate Active program (carbon neutrality certification).	Support this approach on the basis that it aligns with the Climate Active approach – this is a principle which we have previously supported in the consultation for the Australian Government's hydrogen certification scheme.
		Governance: GreenPower will establish a project steering committee for the pilot's implementation, and requests feedback on the steering committee membership.	The CEC proposes that industry association representatives from the renewable energy and hydrogen sectors (including the CEC) should be invited to sit on the steering committee.

Section	Design characteristic	Proposal	CEC position
		The current proposal is for: • Fed Gov agencies • State & Territory govs • Renewable gas developers • Gas network/pipeline operators • Gas consumers	
		Scheme auditing: annual audit reports proposed	Supported.
		Participation fees and certificate price: GreenPower proposes an annual project participation fee, and would not charge any additional fees for certificate creation or surrender.	Support this position, and encourage GreenPower to set fees for the purposes of cost recovery for the operation of the scheme only.