



18 March 2022

National GreenPower Accreditation Program
Department of Planning & Environment

Submitted by email: greenpower.admin@planning.nsw.gov.au

Dear Sir/Madam,

Renewable Gas Certification Pilot – Consultation Paper

Origin Energy Limited (Origin) welcomes the opportunity to provide comments on the proposed GreenPower Renewable Gas Certification Pilot.

Origin is a large Australian integrated energy company with activities in energy retailing, power generation, natural gas production and LNG export. Origin also has recent experience in exploring new product offerings and has focused on areas such as solar & storage, connected homes and future fuels including hydrogen.

We support the development of a range of renewable gases and are interested in the opportunities these may provide in Australia over the next decade. Our interest includes the potential “green” hydrogen may have for both domestic and export markets. We view the likely excess of renewable energy generation at times of the day as an opportunity to fuel the production of hydrogen at potentially low cost.

Origin supports the international target to limit global warming to no more than 2°C and notes the strong intention of the Paris Agreement and Glasgow Climate Pact to pursue efforts to a 1.5°C scenario. In 2017, Origin became the first Australian company to set emissions reduction targets approved by the Science Based Targets initiative (SBTi). We have a formal, public commitment to halve our Scope 1 and Scope 2 equity carbon emissions by 2032, while also committing to a 25% reduction in our indirect Scope 3 emissions. The reference year for these targets is 2017. We are currently reviewing our targets to align them with a 1.5°C scenario.

We generally support the approach taken to the proposed GreenPower Renewable Gas Certification Pilot. Our key points on the consultation paper include:

- Scope – we support a broad range of renewable gases being covered in the pilot. The renewable gas industry is at a relatively early stage of development and it would be prudent to promote a range of opportunities.
- National consistency – we support alignment with national processes as much as practicable, such as the national Hydrogen Guarantee of Origin certification scheme.

- Simplicity – we suggest that the pilot be kept as simple as possible, so as to encourage broad participation.
- Customer perspective – it is important that any new scheme meets the needs of potential customers of renewable gases, as demand is largely expected to be voluntary and customer driven in the short to medium term.
- Linkages – we suggest that linkages to other schemes may be unnecessary in the pilot phase. These can be added later if desired by market participants.

We provide comments on selected specific consultation paper questions in the attached table.

Thank you for the opportunity to provide feedback on the GreenPower Renewable Gas Certification Pilot. If you wish to discuss any aspect of this submission further, please contact Matthew Kaspura at matthew.kaspura@originenergy.com.au

Yours sincerely,



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Attachment – Response to selected consultation questions

Consultation Issue	Question	Origin Response
Eligible Renewable Gases	2	<p><i>Do you agree with an initial focus on biomethane? If not, why not?</i></p> <ul style="list-style-type: none"> No – see below
	3	<p><i>Should the pilot be open to other renewable gases, if so, which and why?</i></p> <ul style="list-style-type: none"> We suggest the pilot be open to a broad range of renewable gases, including all natural gas/LPG substitutes (biomethane, biosyngas, renewable natural gas). This will leave open more pathways to low emission substitutes – we don't know what the market winners are going to be at this stage, so it would be prudent to leave options open.
Producer Eligibility Criteria	4	<p><i>Do you agree with the above eligibility criteria? If not, why?</i></p> <ul style="list-style-type: none"> We seek clarity on what an ACCU mitigation of scope 1 & 3 emissions achieve in practical terms. Is there an accreditation for 'Renewable Gas' sales? If not, we suggest we try to define it in the RGCP.
	6	<p><i>Which technologies and production processes should be included in the pilot?</i></p> <ul style="list-style-type: none"> Please see Question 3 above
	9	<p><i>Should behind the meter production and use projects without a network connection be able to participate in the pilot, and why?</i></p> <ul style="list-style-type: none"> Yes, behind the meter hydrogen should be included to support investment in these projects.
Network Boundary	12	<p><i>Do you agree with the proposed national network boundary approach and if not, why?</i></p> <ul style="list-style-type: none"> Yes, we support a national network boundary as it is consistent with the existing Large-scale Renewable Energy Target which is familiar and accessible to many customers.
	14	<p><i>Should any other feedstocks be included? Which ones, and why?</i></p> <ul style="list-style-type: none"> We suggest organic matter from Landfill gas (municipal solid waste) could also be included.
	18	<p><i>Should methane produced using hydrogen methanation of the carbon dioxide in biogas be included?</i></p> <ul style="list-style-type: none"> Yes – this is consistent with our approach to Question 3 and could help to broaden the market for renewable gases.
Project Scope & Life Cycle Analysis	19	<p><i>Do you agree that, for project assessment, the pilot should use the cradle to gate approach? Why or why not?</i></p> <ul style="list-style-type: none"> Yes – this appears to strike an appropriate balance for a trial which is less resource and time intensive than other approaches suggested and has with minimal trade-offs. It is also consistent with what is being proposed under the national Hydrogen Guarantee of Origin certification scheme.
Fugitive Emissions	23	<p><i>Do you agree with this approach? If not, how should fugitive emissions be treated?</i></p> <ul style="list-style-type: none"> The current approach is reasonable for the pilot. However if large-scale hydrogen blending occurs, then the fugitive emissions in the pipeline can be material as the emission factors are dependent on the gas composition and changes with hydrogen.
Offsetting Emissions	24	<p><i>Do you agree with the proposed approach? If not, why?</i></p>

		<ul style="list-style-type: none"> The proposed approach to offsetting is potentially confusing, especially for customers. We suggest that offsetting is kept separate to the certification pilot. If only a portion of the gas is renewable, then only the renewable portion should create a RGC. To enable full carbon neutrality, additional offsets could be retired under a separate existing mechanism, such as Climate Active.
	25	<p><i>Should other carbon offsets be permitted to offset upstream emissions?</i></p> <ul style="list-style-type: none"> No, at this stage the focus should remain on domestic offsets, as the projects are based in Australia.
Interaction with Other Schemes	27	<p><i>Are there any other new schemes not mentioned here that GreenPower should be aware of?</i></p> <ul style="list-style-type: none"> No, the paper has included relevant new schemes such as the proposed national Hydrogen Guarantee of Origin certification scheme.
	28	<p><i>What linkages between these schemes and the pilot should be considered?</i></p> <ul style="list-style-type: none"> Linkages to other schemes should be kept minimal during the pilot phase, so as to encourage timely development of the scheme. Linkages could be added at later stages, once this and other schemes mature.
Recognition of RGCs	29	<p><i>What recognition is needed for the pilot to provide value for customers?</i></p> <ul style="list-style-type: none"> Endorsement by Greenpower will provide a valuable starting point. Ultimately, the voluntary market will drive the initial pricing of certificates.
	32	<p><i>Do you agree that any displacement ACCUs should be surrendered before an RGC is created? If not, why not?</i></p> <ul style="list-style-type: none"> This potentially increases the scheme complexity and should be thoroughly considered before including in the pilot. It may be simpler to exclude this feature in the initial pilot phase.
	33	<p><i>Do you see any risks with the alternative approach of the displacement ACCU being surrendered at the same time as the RGC is surrendered?</i></p> <ul style="list-style-type: none"> This could be a more resource-intensive process as additional verification and administrative processes are required
Chain of Custody	34	<p><i>Do you agree with the decoupled approach being applied for the pilot?</i></p> <ul style="list-style-type: none"> Yes, this approach is consistent with LGCs and is useful if pursuing the national network boundary
Register Functionality	36	<p><i>Do you agree with the proposed approach of using an existing registry? If not, why not?</i></p> <ul style="list-style-type: none"> Yes, if this results in lower cost for participants.
	37	<p><i>Is it important for customers to be able to access the registry and manage their own surrenders?</i></p> <ul style="list-style-type: none"> Some customers may prefer this option and if it's possible then it should be considered.
	38	<p><i>Is there a particular registry functionality you think should be included in the pilot, and why?</i></p> <ul style="list-style-type: none"> For a surrender on behalf of a customer, it would be ideal to have the customer details link to the registry and retailer to select the customer and surrender certificates for them. This is preferable to adding the customer name and details in the comments as free text.

		<ul style="list-style-type: none"> The registry should allow an option to select the retirement to be publicly available. This can help with transparency for the retailer and customer and also assist the customer report retirement using information on the registry.
	40	<p><i>Are there any other attributes that should be included?</i></p> <ul style="list-style-type: none"> We suggest whether a facility is covered under the Safeguard Mechanism be indicated, as well as the vintage of the RGC.
Functional Unit	41	<p><i>Do you agree with GJ as the functional unit? If not, why?</i></p> <ul style="list-style-type: none"> Yes – GJ is an appropriate functional unit
	42	<p><i>How important is it that the registry is based on GJ in addition to using this unit on the certificate?</i></p> <ul style="list-style-type: none"> It is important to be consistent across the schemes as this avoids confusion, especially with customers.
	43	<p><i>Should a certificate be issued for each 1 GJ of renewable gas produced, or should certificates be issued incrementally for any volume chosen by the producer?</i></p> <ul style="list-style-type: none"> A 1 GJ unit for certificates is appropriate. Certificate should be issued for each 1GJ of gas to provide consistency with other schemes and to assist with clear communication with customers.
Certification Period	44	<p><i>Do you agree with the proposed validity period? If not, why?</i></p> <ul style="list-style-type: none"> Longer validity periods could be required, depending on customer preferences. We suggest that this issue be subject to further consultation through the proposed steering committee.
	45	<p><i>Are there other schemes or programs that the pilot should align with regarding the certificate validity period?</i></p>
Governance	46	<p><i>Which organisations should be represented on the project steering committee?</i></p> <ul style="list-style-type: none"> Gas retailers should be on the steering committee to assist with the development of a customer-centric product Other participants could include key project proponents or large customers who may have expressed interest in this scheme.
Auditing	47	<p><i>Do you agree with the proposed approach for auditing? If not, why not?</i></p> <ul style="list-style-type: none"> We agree that the process should be harmonised across schemes as much possible.
Participation Fees & Certificate Price	48	<p><i>What price would you expect for a renewable gas certificate?</i></p> <ul style="list-style-type: none"> We agree that the price for certificates should be determined by market forces, as this is the reasonable indicator for the value rather than an imposed set price. We suggest that participant fees per project may need to be controlled to some extent. This may depend on the ration of projects to overall participants.
	49	<p><i>Do you agree with the proposed approach not to set price caps or minimum prices? If not, why?</i></p> <ul style="list-style-type: none"> As this is only a pilot phase we agree there should not be a need for price caps or similar controls.