

Australian Government
Department of Climate Change, Energy, Environment, and Water

Submitted via email: RenewableEnergy@dcceew.gov.au

27 March 2025

Exposure Draft - Future Made in Australia (Guarantee of Origin) Rules 2025

The Australian Energy Council ('AEC') welcomes the opportunity to make a submission to the Department of Climate Change, Energy, Environment, and Water's ('Department') consultation on the *Exposure Draft - Future Made in Australia (Guarantee of Origin) Rules 2025*.

The AEC is the peak industry body for electricity and downstream natural gas businesses operating in the competitive wholesale and retail energy markets. AEC members generate and sell energy to over 10 million homes and businesses and are major investors in renewable energy generation. The AEC supports reaching net-zero by 2050 as well as a 55 per cent emissions reduction target by 2035 and is committed to delivering the energy transition for the benefit of consumers.

The AEC has been deeply engaged with the progress of the Renewable Electricity Guarantee of Origin ('REGO') scheme since its initial policy consultation in October 2023. The REGO scheme represents an important part of Australia's energy transition and will create an enduring certification framework to empower the voluntary market to confidently purchase clean energy. The AEC's preferred design is one that encourages transparency and where the rules do not differ between the various types of renewable generation.

With respect to the Tranche 1 Exposure Draft, the AEC provides the following feedback:

- *Clause 6, meaning of related scheme* – depending on demand for the two certificate schemes, some renewable facilities may elect to create both Large-scale Generation Certificates ('LGCs') and REGOs in the same year. So long as it is not for the same MWh of renewable energy (i.e. to prevent double counting), the Rules must ensure this is administratively straightforward to do. This is likely to be relevant to pre-1997 renewable power stations which will create LGCs for above-baseline and REGOs for below-baseline.
- *Clause 28, energy sources* – the AEC supports using a streamlined application for power stations that are already accredited under the *Renewable Energy (Electricity) Act 2000* (Cth) ('REE Act').
- *Below-baseline certificate retirement restrictions* – the AEC notes the direction of the Department to place restrictions on below-baseline certificates due to concerns about impacts on LGC price. The AEC maintains the view that such restrictions are contrary to the purpose of the REGO as a mechanism to certify all renewable generation. Given there are already restrictions on the activities below-baseline REGOs can be surrendered for, the AEC considers further explanation is required as to the reasons for introducing a vintage requirement.

More broadly, the AEC notes the need for:

- Ongoing collaboration with industry with respect to the transition from LGCs and STCs to REGOs to ensure there are no inadvertent impacts for retailers and their mandatory surrender obligations under the REE Act.

- A faster rollout of the scheme to other products, especially low carbon liquid fuels, green metals, and biomethane, noting the commitment to link funding for things like green hydrogen, aluminium, and steel to the GO Scheme.
- Coordination with other governments, departments, and agencies to ensure the REGO co-exists neatly with NGER amendments and other schemes like GreenPower and Climate Active.
- A clear timeframe for rollout of the scheme to prepare participants in terms of systems, processes, and contracting.

Any questions about this submission should be addressed to Rhys Thomas, by email Rhys.Thomas@energycouncil.com.au or mobile on 0450 150 794.

Yours sincerely,

Rhys Thomas
Policy Manager
Australian Energy Council