# Introduction

We are working to develop Australia’s Guarantee of Origin scheme, an internationally aligned emissions accounting framework. The Department is currently consulting on a package of papers which cover the detailed aspects of the GO scheme. Throughout this consultation the Department held a series of webinars and has been engaging with stakeholders. This document summarises some of the frequently asked questions from stakeholders and is intended to provide clarity over elements of the consultation package.

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# Scheme design webinar

## General questions

### Why has the GO scheme decided to use a ‘mass balance’ chain of custody model approach for Product GOs?

The objective of the GO scheme is to measure, track and verify information about a product across the supply chain. The mass balance chain of custody model approach is the most appropriate approach to achieve this objective. However, the proposed approach does provide flexibility to enable differential pathways for products to flow from the production facility to end consumers (such as blending of different products within pipelines).

This position was previously consulted on in the December 2022 consultation papers and received broad support from stakeholders. Aligned with the flexible and adaptable design of the GO scheme, the Department will continue to ensure implementation of mass balance approach is aligned with international market requirements and standards set out through International Organisation for Standardisation (ISO).

More detail on how the mass balance approach works in practice is available below.

### Will Product GO Certificates be recognised under the Safeguard Mechanism and NGER scheme?

The GO scheme is not currently proposed to be recognised under the NGER scheme or Safeguard Mechanism.

## Scheme enrolment questions

### What level of certification is required for auditors under the GO scheme and will there be a public register?

The Department proposes participants will need to commission an LSTR by an approved, National Greenhouse and Energy Reporting scheme qualified third-party auditor. This list is already publicly available on the Clean Energy Regulator’s [website](https://www.cleanenergyregulator.gov.au/Infohub/Audits/register-of-auditors).

### What will the process for a fit and proper person check be?

The proposed “fit and proper person” checks are to be based on the [approach](https://www.cleanenergyregulator.gov.au/About/Policies-and-publications/fit-and-proper-person-posture) currently utilised by the Clean Energy Regulator in its existing schemes.

### What are some additional examples of the ‘delivery gate’?

There are several potential delivery gates proposed in the GO scheme design paper, these include the point where:

* It enters the last domestic port prior to international shipping,
* It is injected into a gas distribution network,
* It is input into a facility where it is combusted/transformed, and
* It enters a refuelling station – prior to refuelling a vehicle.

The Department welcomes feedback on the appropriateness of these delivery gates and any additional considerations.

## GO Certificate questions

### How will the vintage requirement on surrender of REGOs and LGCs in the creation of Product GOs work in practice?

The Department’s proposed vintage requirement is for LGCs or REGOs created for generation occurring in the 12 months prior to the batch period commencing to be recognised as demonstrating renewable electricity use on Product GO Certificates. For example, if a batch period ranged from 30 June 2025 to 30 August 2025, REGOs or LGCs for electricity generated between 30 June 2024 and 30 August 2025 would satisfy the vintage requirements.

### How will the export of products be recorded on Product GO Certificates?

The proposed approach is for the GO Certificate to record information through to the last domestic port prior to export as the delivery gate. The information about the delivery gate would be recorded on the GO Certificate. The inclusion of international shipping may be considered in the future once international needs become clearer.

### How will batch periods apply to continuous production processes?

The batch period for the purposes of the GO scheme is defined as an interval of time over which production conditions are consistent. The batch period sets the period of time over which information on emissions have been collected and reported to create GO Certificates. Participants will be able to set a batch period between 1 hour and 12 months. The batch period will not need to reflect actual production batches.

### How will Product GOs be treated using a mass balance chain of custody approach when blending occurs?

The GO scheme is proposed to use a batch-level mass balance chain of custody approach. The mass balance approach allows for the blending of Product GO certified products and non-certified products along the supply chain. The blending of products makes it difficult to identify which molecules are certified and which are not. However, Product GOs can maintain a distinct claim to the certified product after the point of blending as long as there is a reasonable physical link.

Let’s explore an example where 100kg of Product GO Certified hydrogen is blended with 100kg of non-certified hydrogen in a tanker for transport to two separate delivery gates. At the first delivery gate 50kg of hydrogen is offloaded and the consumer is only interested in the Product GO Certified hydrogen. The 50 Product GOs can record transport to this consumer and be transferred or surrendered on their behalf. The remaining 150kg is offloaded at the second delivery gate, the remaining 50 Product GOs have this additional transport recorded and can be transferred to or surrendered on behalf of the consumer. The other 100 kg of hydrogen is not certified or covered under the GO scheme.

The Department welcomes feedback on any additional considerations for this approach across different supply chains.

### Will a single participant be able to record all of the production, transport and storage information?

A single participant will be able to register multiple profiles based on the functions they operate across the supply chain. For example, if a single participant operated a site with both production and long term storage processes for hydrogen they would be able to register both a product and storage profile. This participant could then create and update their Product GO Certificates with information from both processes.

### How will the transfer of Product GO Certificates work? Will the emissions need to be provided prior to them being transferred?

The Department’s proposed lifecycle for Product GOs will allow for transfers to occur after the initial creation. The initial creation process involves the product facility producing hydrogen and reporting specific data across the batch period. Once this information has been reported the Incomplete Product GO can be transferred to other participants to provide information on transport and storage steps through to the delivery gate and complete the Product GO certificate.

After a GO Certificate has been completed and issued, they will be able to be transferred to other participants to surrender and provide consumption information. More information on the Product GO lifecycle is available in Part 3 of the [scheme design paper](https://storage.googleapis.com/files-au-climate/climate-au/p/prj291cc9979281a4ffc59d8/public_assets/Guarantee%20of%20Origin%20Scheme%20design%20paper.pdf).

### Will there be a lag between production occurring and GO Certificates being able to be created?

The GO scheme is proposed to allow for creations to occur from the day after the day production occurs. This is to allow for the accrued emissions to be spread over the production outputs of the prior day. For more information on accrued emissions see Part 3 of the [emissions accounting approach paper](https://storage.googleapis.com/files-au-climate/climate-au/p/prj291cc9979281a4ffc59d8/public_assets/Guarantee%20of%20Origin%20-%20Emissions%20Accounting%20Approach%20paper.pdf).

### How will the Annual Reconciliation Check work in practice, is the process per batch or annual similar to NGER?

The ARC process is proposed to occur on an annual basis following the end of the financial year, similar to NGER. The process will cover all information provided over the course of the prior year. More information is available on the ARC process in Part 3 of the [scheme design paper](https://storage.googleapis.com/files-au-climate/climate-au/p/prj291cc9979281a4ffc59d8/public_assets/Guarantee%20of%20Origin%20Scheme%20design%20paper.pdf).

## Data visibility and sharing

### Will GO Certificates be housed on a public register and how much information will be publicly available?

The Department proposes GO Certificates will be housed on a publicly visible GO Registry. The GO Registry will provide public information on a broad range of information for GO Certificates including breakdowns of the emissions intensity, percentage of total electricity used which is renewable.

For more information on the information proposed to be publicly available see Part 4 of the scheme design paper. The Department welcomes views on whether additional information should be included on GO Certificates, such as the inclusion of error correction details.

# Emissions accounting approach webinar

## General questions

### Where are the areas the emissions accounting approach will be expanded upon?

The Department is currently consulting on the core emissions accounting approach for the GO scheme. The Department is exploring potential expansions to the approach to provide additional flexibility and refinement.

The Department is exploring the inclusion of:

* Source-specific emissions factors,
* Optional time and location matching in the market-based electricity emissions,
* Inclusion of hydrogen energy carriers, including conditioning/conversion facilities for hydrogen, and
* Refining the approach to transport and storage emissions.

The Department welcomes feedback on any additional expansions for consideration prior to commencement of the scheme.

### Will the GO scheme cover international shipping of products?

The proposed GO Scheme deems the delivery gate as the last port prior to international shipping, meaning international shipping is not currently included in the scope. The inclusion of international shipping may be considered in the future once international needs become clearer. The Department would be eager for feedback on where there is a strong need to extend beyond the current delivery gate.

### How will the emissions accounting approach be captured in the legislation structure?

The emissions accounting approach is expected to be covered in legislative instruments subordinate to the overall scheme legislation. This will provide greater flexibility to update and refine the emissions accounting approach over time as new products are added and the approaches to estimating emissions evolve.

### Will fugitive hydrogen emissions be included in the emissions accounting approach?

The proposed GO scheme does not account for fugitive hydrogen emissions during production and losses during transport and storage in the total emissions attributable to the product. However, the GO scheme will capture information about losses throughout the system boundary which could be used to account for these emissions in the future. The Department will monitor international and domestic developments on the treatment of fugitive hydrogen emissions and could incorporate these in the future.

### How will the Department balance the need for a comprehensive emissions accounting approach without being administratively burdensome?

The GO scheme is proposed to utilise an upfront reporting model to reduce the administrative burden of providing information to create GO Certificates. This will allow for participants to provide information about the product facility while registering profiles, which includes general information about the facility and relevant emissions factors. The participants will then only need to provide batch specific data when creating GO Certificates, this would include information such as measurements of inputs and outputs when creating GO Certificates.

The GO scheme is also proposed to allow for emissions factors to be used to calculate emissions in addition to direct measurement. This approach is intended to help reduce the administrative burden of estimating emissions, particularly those upstream of the product facility or in the post-production boundary. Stakeholders are encouraged to provide feedback on whether the proposed approach adequately balances the need for a comprehensive approach without being administratively burdensome.

## System boundary

### How will the product facility be defined for facilities that produce green and grey hydrogen?

The product facility for each production pathway is defined as a collection of minimum and optional modules (a sub-component of the relevant process). These modules effectively set the scope of the emissions accounting approach. Where modules are shared to produce both ‘green’ and ‘grey’ hydrogen, they will still form part of the registration requirements. The processes associated with ‘grey’ hydrogen production may be non-attributable for the purpose of the GO scheme.

The Department encourages stakeholders to reach out and discuss your specific projects in more detail.

### What is the threshold between short – and long-term storage?

The Department is still refining the approach to storage emissions to identify minimum process modules and emissions sources. There is no proposed threshold between short- and long-term storage at this stage. The Department welcomes feedback or views on how a threshold should be set.

### What are the exclusions from the system boundary?

The proposed GO scheme covers a well-to-delivery gate system boundary, which is broken up into a production and post-production boundary. This proposed boundary does not currently include emissions associated with capex, consumption of the registered product, and end of life waste processing. However, the GO scheme framework could be expanded to include these emissions in the future subject to stakeholder needs.

### Why was a well-to-delivery gate design chosen as opposed to a well-to-production gate approach?

The well-to-delivery gate system boundary is based on the International Partnership for Hydrogen and Fuel Cells in the Economy’s [methodology for determining the greenhouse gas emissions associated with hydrogen](https://www.iphe.net/iphe-wp-methodology-doc-jul-2023). The Department previously consulted on this position in the December 2022 policy paper and received support from stakeholders to maintain international comparability. The emissions information on Product GOs will be separated into the production boundary (well-to-production gate) and post-production boundary (production gate-to-delivery gate) components to provide transparency for stakeholders only interested in well-to-production gate information.

## Data sources

### What data sources will the GO scheme draw upon for feedstocks imported into Australia?

The proposed data sources for the GO scheme are primarily focussed on domestic feedstocks and summarised in Part 4 of the [emissions accounting approach paper](https://storage.googleapis.com/files-au-climate/climate-au/p/prj291cc9979281a4ffc59d8/public_assets/Guarantee%20of%20Origin%20-%20Emissions%20Accounting%20Approach%20paper.pdf). This consultation process is an opportunity for stakeholders to help identify any gaps within these data sources. The Department encourages stakeholders to provide details of any potential gaps and additional data sources which should be considered for inclusion.

### What is the scope of the Residual Mix Factor used in the electricity emissions approach and will historic RMFs be provided?

The GO Scheme is proposed to utilise a combined scope 2 and scope 3 national residual mix factor, sourced from the National Greenhouse Accounts factors. A new issue of the NGA Factors is published each year on the Department’s [website](https://www.dcceew.gov.au/climate-change/publications/national-greenhouse-accounts-factors-2023). Prior versions of the NGA Factors are still available on the Department’s website for stakeholders interested in historic values.

# Renewable Electricity Guarantee of Origin Certification Webinar

### Is the intent of the Renewable Electricity Guarantee of Origin (REGO) Scheme to incentivise new renewable generation?

The primary objective of the REGO scheme is to track and verify renewable electricity. It provides investors with certainty that a framework for creation of renewable energy certificates will exist after 2030.

### Why are you allowing restrictions to be imposed on the use of below-baseline REGO certificates?

A wide range of organisations are making voluntary surrenders, including retailers, commercial real estate, multinational corporations, banks, universities, local governments, and transport authorities. Non-RET demand increased by 92 per cent in the first half of this year relative to the previous year.

Although the voluntary market is strong and there is likely to be continuing growth in voluntary demand for LGCs as more Australian businesses seek to demonstrate their ESG credentials, we have heard industry concerns about potential impacts on LGC prices of below-baseline REGO certificates.

As a result, we are proposing that regulations could be made to restrict who can surrender below-baseline REGO certificates.

Several stakeholders suggested restricting below baseline certificate surrenders to electricity users that are undertaking emissions-intensive, trade-exposed activities or participating in the Product GO scheme. We consider that this option initially would be likely to minimise any market distortions and risks associated with non-government certificates becoming entrenched. We are open to feedback on this option.

Since REGO certificates will not be introduced until 2025, any further measures announced by the Government or implemented before then could be factored into decision-making around restrictions on surrender and the precise parameters imposed.

### What is the policy driver for differentiating below-baseline REGO certificates?

Below baseline certificates will be differentiated from other REGO certificates to ensure buyers understand what they are purchasing.

Generally, we expect that voluntary users may express their own preferences about the certificates that they want to use and may choose to use LGCs even if below baseline certificates are available. This is true of users of standards such as RE100 and Climate Active, that impose requirements for power station age that would prevent them from accepting below baseline certificates.

### How will small-scale generators be included in the REGO scheme? Will deeming arrangements be used?

The scheme’s legislation is proposed to include a provision to allow the owner of a power station, or small-scale system, to assign the right to create REGO certificates to another person or entity by written notice and in accordance with the regulations.

This would enable an arrangement similar to allowing an installer to create STCs on behalf of a small-scale system owner. Instead of a once-off transaction to create STCs for the relevant deeming period, this would put an ongoing arrangement in place that allows an aggregator to create REGO certificates over time on behalf of a small-scale system owner.

The regulations would include detailed requirements for REGO scheme participants that have been assigned the right to create REGO certificates on behalf of another person, which may include information that must be collected and maintained, metering arrangements, and certificate creation processes.

As few small-scale systems would be eligible to participate in the REGO scheme until closer to 2030, when the deeming period for most small-scale systems expires, there is time to carefully consider how REGO can support the participation of aggregated small-scale generation. We would expect small-scale capacity to access STCs rather than participate in REGO while STCs are still available.

Based on stakeholder feedback, deeming arrangements are not planned for the REGO scheme and certificate generation would be based on metered output.

### What is the benefit for electricity storage without behind the meter generation of participating in the scheme?

The REGO scheme will allow storage facilities to create REGOs to export stored electricity that was originally sourced from renewable electricity generation. Participation in the REGO scheme is voluntary. If energy users create demand for certificates with certain time attributes, we expect that there will be an incentive for electricity storage providers to certify their electricity, whether they have behind the meter generation or not. Given the increasing role that electricity storage is expected to play in Australian electricity markets, we consider that it is important to build the capability to certify renewable electricity that goes into storage.

We are proposing that electricity storage providers would meter and report their electricity consumption to the Clean Energy Regulator. This electricity consumption would trigger a requirement to surrender an equivalent number of certificates which we are referring to as a “charging debit.”

### Can a storage facility surrender RET certificates to produce REGOs?

Yes. Electricity storage would be eligible to create REGO certificates if the storage operator could demonstrate that stored electricity came from eligible renewable electricity generation by first surrendering an appropriate REGO certificate or LGC.

There will be no obligation for storage providers to time match certificate surrenders to electricity consumption. We believe that initially allowing flexibility will encourage greater participation.

However, stakeholder views are invited on options for how the REGO registry could recognise facilities and certificates where time matching is being implemented on a voluntary basis.

### Will certificates with and without time stamp create complexity? Have additional costs of time stamping been considered?

The Department and the CER will work with scheme participants to ensure that administrative processes are streamlined and practical, and costs are minimised.

There is likely going to be increasing demand for time matching from international markets and hydrogen certification standards. We consider it is important to develop this capability from scheme commencement and refine it over time. Time stamping is proposed to be required only for whole megawatt hours that were generated within an hour interval.

Some stakeholders previously provided views that carrying fractions over between hour intervals would undermine the integrity of time stamped certificates, particularly for smaller generators.

The proposed approach would allow fractions of megawatt hours left over as a residual to be aggregated over a longer period of time to create certificates with no time stamp.