

GreenPower submission to the NGER scheme 2025 Public Consultation

11 April 2025

The National GreenPower Accreditation Program (GreenPower) welcomes the opportunity to comment on the National Greenhouse and Energy Reporting (NGER) scheme 2025 Public Consultation.

The positions presented in this submission are only representative of the National GreenPower Accreditation Program as it relates to our mission. They are not to be interpreted as positions of state and territory governments.

GreenPower's mission

Help energy users access government-accredited, Australian-made renewable electricity and renewable fuels to reduce emissions.

GreenPower's impact

Since 2005, GreenPower has made a significant contribution to the Australian renewable energy industry including:

- Around \$1 billion in additional revenue to the renewable electricity sector.
- Supporting voluntary action to reduce Australia's electricity emissions by almost 20 million tonnes CO₂-e.
- Providing energy consumers with a robust, easy and credible mechanism for renewable energy purchasing.
- Launching Australia's first renewable gas certification scheme.

GreenPower's response summary

GreenPower's response to the NGER scheme consultation focuses on:

1. Proposed 2025 amendments
 - A. Market-based reporting of emissions from consumption of biomethane and hydrogen
 - C. Scope 2 emissions from consumption of electricity
2. NGER forward work program
 - C. Scope 2 emissions

Section 1.A. - Market-based reporting of emissions from consumption of biomethane and hydrogen

- a) GreenPower supports the proposed amendment to introduce market-based reporting of emissions from consumption of biomethane and hydrogen.

Commercial and industrial businesses that currently have limited options to decarbonise their hard-to-abate processes using fossil gas will be able to lower their emissions through voluntary Renewable Gas Certificate (RGC) purchases under the proposed market-based reporting of their emissions. This market mechanism is critically important to support these industries and unlock the off-take demand.

The proposed market-based approach allows renewable gas production to be optimally located where feedstocks and supporting infrastructure are located, irrespective of where the end-users are. This flexibility will lower the cost of renewable gas production, provide higher renewable gas production volumes, lower energy costs for industry, and provide economic benefits in regional locations where the bulk of the biomethane projects will be.

- b) GreenPower supports the NGER scheme leveraging existing certifications including GreenPower's Renewable Gas Guarantee of Origin (RGGO) as eligible RGCs.

GreenPower's Renewable Gas Certification sets environmental and social criteria that renewable projects must meet to be eligible for accreditation. This ensures that any RGGOs created and retired represent low-emission renewable gas that have net environmental and social benefits. By leveraging RGGO's, the NGER market-based reporting framework will ensure that biomethane and renewable hydrogen produced from participating projects meet the high standard set by GreenPower. This will enable hard-to-abate industries to decarbonise their scope 1 emissions from their operations.

- c) GreenPower does not support the proposed 'temporal link requirement' reporting timeframe for market-based reporting.

GreenPower proposes an alternate temporal link requirement for Renewable Gas Certificates (RGC) aligning to the GreenPower Renewable Gas Certification's RGGO requirement, that is:

1. An RGC *created* from renewable gas production and network injection is valid for *transfer* and *retirement* for a 39 month period.

2. Within this 39 month timeframe, any RGGO *retired* by an NGER reporting facility within any given NGER reporting period are deemed valid for that specific year's NGER reporting purpose.

The proposed approach will mitigate against the RGGO becoming invalid if the process to *create, approve, transfer* and *retire* the RGGO doesn't occur within the timeframe proposed under the NGER amendment. Importantly, it will maintain the contemporaneous reporting requirement under the NGER scheme for an NGER reporting facility to report on their scope 1 emissions within a given reporting year.

Rationale

There are practical limitations associated with the proposed market-based reporting of RGCs in a single reporting-year. The proposed NGER temporal link requirement requires eligible RGCs that are being used for market-based reporting to represent renewable gas that was produced, injected into the gas network and associated certificate creation, transfer and retirement during the reporting period (year) in which its attributes are being reported.

The RGGO life cycle commences when the certificate is created following the renewable gas injection into the grid. The process includes:

- Renewable gas produced and injected into the gas network.
- Certificate *creation* by the Producer in the registry platform.
- Verification of the RGGOs and *approval* by GreenPower for certificate creation.
- *Transfer* of the RGGOs from Producer to certificate Trader, and finally.
- *Retirement* of the RGGOs by an end-user or by a Trader on behalf of an end-user.

A critical difference in the RGC life cycle compared to the renewable electricity certificate equivalent (LGC) is the possibility of latency of the RGC's *creation, transfer* and *retirement*. This latency may occur at any of these stages, particularly when renewable gas is produced at scale and RGC retirements may be reserved for peak gas demand periods by industrials, including gas-powered electricity generation. If there are delays in any of these steps, the RGCs created late in the reporting year would be at risk of becoming invalid for NGER reporting. This outcome does not support the viability of renewable gas production, certificate trading and retirements.

Additionally, proposed NGER temporal link requirement amendment doesn't support a major benefit of renewable gas as a long duration energy source. The gas pipeline network and its associated gas storage facilities can store significant volumes of gas for extended periods of time allowing it to be used as needed by off-takers. This is a

crucial benefit of renewable gas and its associated renewable gas certificates, as a long duration bioenergy source within the existing gas pipeline system.

- d) GreenPower does not support ‘accounting for pipeline losses’ under the proposed amendment.

GreenPower does not support NGER reporting facilities to account for pipeline losses and being liable to purchase additional RGCs to account for the losses. The gas pipeline operators are already required under NGER to report emissions from gas losses during transmission and distribution through their pipelines, known as unaccounted-for gas (UAG).

Adding a loss factor to RGCs would result in double-counting of the gas losses. Additionally, this would increase complexity and cost for NGER reporting entities that would need to procure additional RGCs to match their actual gas use.

GreenPower recommends to not include a loss factor to RGCs to account for gas pipeline transport losses.

Section 1.C. - Scope 2 emissions from consumption of electricity

- a) GreenPower supports the proposed ‘updates to the market-based method’.

The proposed update will *make it mandatory for a reporting entity to use the market-based method for all facilities within a controlling corporation’s group, where a reporting entity uses the market-based method for a facility within a controlling corporation’s group*. This change will help to ensure *completeness in corporate reporting*.

- b) GreenPower supports the proposed change to ‘surrender of renewable electricity certificates’.

The proposed update to the definitions of REC_{surr} and REC_{onsite} to clarify that these certificates may be surrendered *for* the reporting year, prior to the submission of the NGER report, but do not necessarily need to be surrendered *in* the reporting year. This change will help to provide clarity on this requirement to NGER reporters.

Section 2.C. Scope 2 emissions

- a) GreenPower supports the Department considering potential future updates to the Market Based method to incorporate the Renewable Electricity Guarantee of Origin (REGO).

GreenPower does not have specific issues for submission regarding the recognition of Renewable Electricity Guarantee of Origin (REGO) under the NGER scheme, however GreenPower would welcome the opportunity to collaborate with the Department on this work in the future. The outcomes of an update to the market-based method to incorporate REGOs will be important considerations for future updates to the GreenPower Renewable Electricity Program Rules due to their implications for renewable electricity Generators and Products accredited under the GreenPower Program.

- b) GreenPower supports the Department taking measures to address the potential for claiming emissions benefits of LGCs that have been sold to another reporting entity. GreenPower has previously consulted on changes to reduce the double-counting and or double-claiming of behind the meter use of renewable electricity as part of a package of proposed changes to GreenPower's Renewable Electricity Program Rules in October 2024.

In these changes, GreenPower proposed to change what is currently s3.5 of its Renewable Electricity Program Rules to include the following requirement:

“any behind the meter usage of renewable electricity from a GreenPower Generator or a large-scale generator creating LGCs has been matched with LGCs and deducted from generation claims; and”

GreenPower is still planning to proceed with this rule change and acknowledges that the change would only affect GreenPower LGCs and not all LGCs. GreenPower would welcome the opportunity to collaborate with the Department on measures to reduce the double counting of behind the meter use of renewable electricity for both LGCs and REGOs.

About the National GreenPower Accreditation Program

Established in 1997, the GreenPower Program helps energy users access government-accredited, Australian-made renewable electricity and renewable fuels to reduce emissions. The program is managed by the NSW Government on behalf of states and territories through the National GreenPower Steering Group.

The GreenPower Program aims to:

- Support the reduction of greenhouse gas emissions from energy use.
- Facilitate the installation of new renewable energy capacity across Australia beyond mandatory requirements.
- Encourage growth in consumer demand for renewable energy.
- Provide consumer choice for, and increase confidence in, credible renewable energy products.
- Increase consumer awareness of renewable energy and greenhouse issues.

The GreenPower Program has facilitated over \$1 billion of additional revenue for the renewable electricity sector since 2005.

There are around 40 GreenPower Providers currently selling GreenPower renewable electricity to customers all over Australia. In 2023, over 150,000 residential customers and over 40,000 business customers purchased over 1,800,000 MWh of GreenPower renewable electricity.

In 2023, the GreenPower Program launched the Renewable Gas Certification. This new certification, establishing Renewable Gas Guarantee of Origin (RGGO) certificates in financial markets, allows commercial and industrial fossil gas users to directly support renewable gas projects by purchasing RGGO certificates to match their network fossil gas with renewable gas.

The GreenPower Program ensures that RGGO certificates are generated from low-emission renewable gas displacing fossil gas in Australia. Jemena's NSW Malabar Biomethane Injection Plant, producing and injecting low emission biomethane into the Sydney gas network, was the first project to be accredited under the Certification in December 2023.

The GreenPower Program is currently exploring other renewable fuel types, including low carbon liquid fuels, to expand sustainable renewable fuel alternatives supporting the national energy transition away from fossil fuels.

For more information, please visit www.greenpower.gov.au or email greenpower.admin@planning.nsw.gov.au