



24 October 2023

Department of Climate Change, Energy, the Environment and Water

Submitted via DCCEEW's consultation hub: <https://consult.dcceew.gov.au/au-guarantee-of-origin-scheme-consultations-on-design/new-scheme-design-survey-b83f1f08>

Dear Sir/Madam

**Australia's Guarantee of Origin
Scheme Design, Draft Policy Paper, 20 September 2023**

Stanwell Corporation Limited (Stanwell) welcomes the opportunity to respond to the Department of Climate Change, Energy, the Environment and Water's (DCCEEW's) September 2023 Draft Policy Paper on Australia's Guarantee of Origin Scheme Design.

We acknowledge the work of DCCEEW in preparing this consultation paper and are grateful for the opportunity to provide a response.

This submission contains the view of Stanwell and should not be construed as being indicative or representative of Queensland Government policy.

As a major provider of electricity to Queensland, the National Electricity Market (NEM) and large energy users throughout Australia, Stanwell is invested in providing reliable and affordable energy for today and into the future. We are also developing renewable energy, storage and hydrogen projects and technologies to help reduce emissions and ensure Queensland electricity supply remains secure and reliable now and into the future.

While DCCEEW has split the consultation for the GO Scheme into four individual surveys, Stanwell has provided a single submission with feedback on matters related to both the Guarantee of Origin Scheme Design and the Renewable Electricity Guarantee of Origin (REGO) certificate as they are interrelated.

Our feedback on DCCEEW's proposed Guarantee of Origin Scheme Design and REGO relates to the following matters:

1) Restricted surrender of below baseline REGO for EITE and creation of Product GO

In the December 2022 policy position paper for the REGO, it was proposed that all renewable electricity generators would be eligible to create REGOs regardless of power station age. Due to the contentious nature of this proposal for its potential impacts on the existing LGC market and incentives for new renewable electricity generation, the adjusted proposal would restrict the eligibility to surrender a below baseline REGO (from 2025 to 2030) only to REGO "consumers" which are either registered as Emissions Intensive and Trade Exposed (EITE) or surrendering a REGO for the purpose of creating a Product GO. Stanwell considers the approach of these restricted surrenders to be a sensible way forward and supports this latest proposal.

Given the Clean Energy Regulator (CER) will also be administering the REGO, Stanwell would like the CER to ensure its system is capable of automatically recognising and enabling any existing participant who is registered to create Large Scale Generation Certificates (LGCs) to also be able to create REGOs in the cut over process on 1 January 2031. Otherwise, the requirement for all participants to re-register for the creation of REGO's will be an extremely significant and costly administrative burden for all participants and the CER.

2) Make a hydrogen liquefaction facility a separate production profile

The "Emissions Accounting Approach – Attachment to the Scheme Design Paper" is now consulting on the proposed emissions sources to be reported for each of the modules for an electrolysis product facility. Each module is effectively a unit process. One glaring omission in the consultation document, however, is a module for the hydrogen liquefaction process together with the emission sources to be reported.

While the hydrogen liquefaction process could be included as a module, based on the likely commercial arrangements, scale and potential complexity of Hydrogen Liquefaction Facilities, Stanwell would like to see the GO Scheme designed to accommodate a Hydrogen Liquefaction Facility as another Production Profile for the Product GO. Any additional modules and emission sources associated with the hydrogen liquefaction process should also be put forward for consultation sooner rather than later.

3) Make water and waste-water an eligible co-product for Hydrogen Production

Water is an essential process stream in almost every industrial process – including electrolysis. With the World Resources Institute forecasting that many countries will experience water stress in the future by continuing with the status quo, the need to minimise, reuse and recycle water is more important than ever. It would be a missed opportunity to exclude water from being an eligible co-product under the GO Scheme particularly as there are plans to expand the GO scheme. Water use will only become efficient and sustainable if there is a transparent way to value water appropriately. As a key priority, Stanwell would like to see DCCEEW make water an eligible co-product in the Product GO scheme, noting that the system expansion approach is likely to be the most suitable method for allocating emissions to water.

4) **Methodology for treatment of hydrogen from hydrogen carriers**

The system boundary has been confirmed to be from the well-to-delivery gate, where, for products exported, the delivery gate is the point of international departure. During DCCEEW's Guarantee of Origin Scheme – Emissions Accounting Session on Wednesday 11 October 2023, Stanwell raised a question regarding how hydrogen received from an international carrier would be treated in the Product GO accounting given that hydrogen displaced and recovered when filling a vessel with liquified hydrogen is effectively an import. Stanwell is very pleased to hear that work was already underway to consider the treatment of hydrogen carriers and that detailed consultation on proposed methodologies would be undertaken in the near future.

For the purpose of expediting future consultation timeframes on the treatment of hydrogen carriers within the GO Scheme, Stanwell would like to see DCCEEW clearly list on its website, the international methodologies it is considering so that proponents have the time and opportunity to familiarise ourselves with the potential policy and detailed design options well in advance of any formal consultation taking place on this matter.

5) **Scheme expansion**

Stanwell nominates ammonia as the next product which should be added to DCCEEW's top priority for expansion of the Product GO scheme.

Stanwell appreciates the opportunity to contribute to DCCEEW's development of Australia's Guarantee of Origin Scheme and we look forward to working with DCCEEW as development of the Guarantee of Origin Scheme progresses.

Should DCCEEW wish to discuss our submission in more detail, please contact Zi Ying Koh on (07) 3228 4137 or email ZiYing.Koh@Stanwell.com

Yours sincerely



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