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Australian Government

Department of Climate Change, Energy, the Environment and Water

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## **Guarantee of Origin Rules Tranche 1**

AGL Energy (AGL) welcomes the opportunity to provide feedback to the *Exposure draft (tranche 1) – Future Made in Australia (Guarantee of Origin) Rules 2025* (Draft Rules).

Proudly Australian since 1837, AGL delivers around 4.5 million gas, electricity, and telecommunications services to our residential, small and large business, and wholesale customers across Australia. AGL operates the largest electricity generation portfolio in Australia of any ASX-listed company, with a total operated generation capacity<sup>1</sup> of 7,982 MW as of 30 June 2024. Since 2006, AGL has invested billions of dollars in the construction and delivery of over 2 GW of renewable and firming capacity in the National Electricity Market.

We support Australia's ambition to achieve net zero by 2050 and believe this will underpin the competitiveness of the Australian economy. As the global community responds to the risks of climate change, AGL recognises the large part that we must play in the transition to a low carbon economy. Our 2022 Climate Transition Action Plan outlines AGL's ambition for decarbonisation, including targets for new firming and renewable assets, and commitments to repurpose our large thermal generation sites into integrated industrial energy hubs.

AGL is a participant and advocate in a number of environmental markets across carbon, renewables, energy efficiency. Since its inception, AGL has been highly engaged in the process of developing the Guarantee of Origin (GO) Scheme, strongly supporting the passage of the Guarantee of Origin Bills in 2024 and providing feedback to previous consultations<sup>2</sup>. The Product Guarantee of Origin (PGO) framework will assist in the delivery of broader decarbonisation objectives and ensure that claims around the emissions intensity of domestic products and commodities are accurate and transparent. The Renewable Electricity Guarantee of Origin (REGO) framework will provide an enduring framework for voluntary action to reduce energy sector emissions and support ongoing transparency and assurance over the emissions intensity of green products.

AGL provides the following feedback on the Draft Rules:

- We support the government's approach to streamline scheme registration and reporting requirements to avoid duplication and improve scheme efficiency.
- We support a national approach to certification of low emissions products and encourage the
  government to coordinate with other departments and state governments to align with other schemes
  and reporting frameworks such as the National Greenhouse and Energy Reporting Scheme,
  GreenPower, NSW's Renewable Fuel Scheme and Victoria's Industrial Renewable Gas Guarantee.
  Coordination will be critical to ensuring consistency and integrity across schemes and frameworks.
- We encourage coordination with the Clean Energy Regulator on timeframes for design and implementation of a registry to support the scheme.

<sup>&</sup>lt;sup>1</sup> FY24 installed capacity is the AEMO registered capacity, also taking into account the three 25MW upgrades to the Bayswater Power Station Units 4, 2 and 3 in FY20, FY22 and FY23 respectively.

<sup>&</sup>lt;sup>2</sup> See: AGL submissions to <u>GO</u> and <u>REGO</u> consultations in February 2023, <u>GO</u> and <u>REGO</u> consultations in October 2023



- A timeframe for rollout of the scheme and its related consultations should be clearly outlined and communicated to ensure that participants are well-prepared in terms of systems, processes and contracting.
- Page 5 of the consultation paper states that "The PGO certification stream will commence with hydrogen and expand to other products, such as low carbon liquid fuels and green metals." We note that biomethane and biogas have been omitted, which appears to be an oversight given that these fuels were explicitly declared by the government previously<sup>3</sup>. We recommend that the government be clear on its intention to expand the scheme to other products such as low carbon liquid fuels, metals and biomethane/biogas, which will be especially important in the export context, and provide clarity around timeframes for their inclusion within the scheme.

We look forward to further engagement and collaboration on the GO scheme's development, particularly in regard to REGO certificate attributes and below-baseline generation, as well as the integration of storage and aggregated systems.

Should you have any questions in relation to this submission, please contact Casey Barkla-Jones at cbarkla@agl.com.au.

Yours sincerely,

**AGL Energy** 

<sup>&</sup>lt;sup>3</sup> Guarantee of Origin key to superpower status | Ministers