

27 March 2025

Department of Climate Change, Energy, the Environment and Water



Submitted online

Future Made in Australia (Guarantee of Origin) Rules 2025

The Australian Financial Markets Association (AFMA) is responding to the Department of Climate Change, Energy, the Environment and Water's (DCCEEW) consultation on the Future Made in Australia (Guarantee of Origin) Rules 2025.

AFMA is the leading industry association representing Australia's financial markets - including the capital, credit, derivatives, foreign exchange, and other specialist markets such as environmental products. We have more than 130 members, from Australian and international banks, leading brokers, securities companies, and state government treasury corporations to fund managers, and industry service providers. AFMA also represents a large number of energy firms who are some of the key participants in environmental product markets.

Key Points

- **DCCEEW should provide implementation timeframes for all products.**
 - **Development of the register should be prioritised.**
 - **Begin consulting on storage, hybrid systems and below baseline restrictions.**
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1. Preparing for scheme launch

1.1. National certification

AFMA supports the Guarantee of Origin (GO) and Renewable Electricity Guarantee of Origin (REGO) schemes. We believe consistent national certifications will support the development of markets for low or zero emissions products. AFMA understands that a number of state based environmental schemes have expressed desire to align to the GO scheme. AFMA is supportive of this and would encourage DCCEEW to work closely with the state departments to ensure that national certifications are in place to support the state schemes.

AFMA considers that DCCEEW should provide clear guidance about the timeline for implementing each of the proposed products to allow state governments to consider this in the development of their new products.

Likewise, we encourage DCCEEW to work with state and other governments and departments to align with the pre-existing Green Power Renewable Gas Guarantee of Origin (RGGO). The scheme has been in operation since 2023 and is currently the only active national scheme, therefore alignment will be important in boosting participation.

1.2. Documentation

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AFMA creates and maintains standardised legal documentation necessary for participants to transact across a range of Australian over-the-counter (OTC) markets. AFMA documentation is the de-facto standard for the trading of all Australian environmental products and the AFMA Environmental Products Addendum facilitates most trades. With the addition of the GO and REGO schemes, AFMA will need to update its documentation to facilitate trading. Therefore, AFMA would encourage DCCEEW to publicise its final rules, as swiftly as possible and include time in your implementation plan to ensure that the market has documentation in place to allow it to begin trading on scheme open.

1.3. Register

A fit for purpose register is an integral part of any schemes' success AFMA encourages DCCEEW to consult with the market and participants on what the register should contain for GO and REGOs and how it will function.

AFMA Recommendations

- i. Provide a timeframe for implementation of each product.
- ii. Coordinate implementation with state governments and Green Power.
- iii. Work closely with the Clean Energy Regulator and the market on the register build.

2. Part 4—Certification of renewable electricity

2.1. Definitions

AFMA urges DCCEEW, if not already done so, to liaise with industry to ensure these definitions accurately reflect common industry understanding and interpretation. For example, as noted in the consultation paper, the exclusion of biomass from native forests from eligible renewable energy sources under the primary legislation is a divergence from longer existing legislation. Likewise, this legislation also sees an expansion in definitions for ocean, wave and tide energy sources. On this basis, AFMA also encourages DCCEEW to ensure alignment with pre-existing state based and other schemes.

2.2. Treatment of storage

AFMA appreciates the complexity of rules design and the large task facing DCCEEW. However, given the anticipated importance of time shifting to the REGO scheme, clearly outlining treatment of storage under the scheme, as similarly done for components of electricity generation system, will be important. The current draft rules do not appropriately define storage and AFMA considers they will need clear articulation of how storage is going to match, particularly as it relates to battery storage systems and pumped hydrogen plants.

Likewise noting the ambitious timeframe for rules formation and scheme start, designing rules for both aggregated systems and below baseline restrictions is vital to meet the targeted start date. As noted in the consultation paper, these are technical and important issues which need to be built at pace.

2.3. Registration

While AFMA welcomes the intent to streamline registration aligning with the Renewable Energy (Electricity) Act 2000, AFMA cautions overprescription of registration requirements in subordinate legislation. In AFMA's experience with ACCUs and the ANREU register for example, overly prescriptive

requirements on the registered persons caused participation barriers and challenges for larger organisations. Therefore, AFMA recommends that DCCEEW focus registry requirements at an organisation level and remove any unnecessary criteria from the draft legislation.

AFMA Recommendations

- iv. Consultation on the rules addressing storage, aggregated systems and below baseline requirements should commence as soon as possible.
- v. Registration requirements should be streamlined.

3. Areas for prioritisation

AFMA understands DCCEEW will be hosting a series of technical working groups to engage with industry on the REGO rules. AFMA supports this industry collaboration and would be glad to be part of this work. AFMA would also encourage DCCEEW to prioritise this work as industry has expressed a keen interest in REGO.

Likewise, AFMA would emphasise the need for greater urgency in rollout of the scheme to other products such as low carbon liquid fuels, metals and biomethane/ biogas that are likely to be valuable to the market. AFMA sees stronger industry interest in biomethane over other low carbon fuels including hydrogen and metals. Therefore, AFMA encourages DCCEEW to prioritise products that share greatest industry support and likely uptake.

AFMA would welcome the opportunity to discuss this submission further and would be pleased to provide further information or clarity as required. Please contact Monica Young via myoung@afma.com.au or 02 9776 7917.

Yours sincerely,

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