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26 July 2024

Dr Sean Turner Committee Secretary Senate Economics Legislation Committee

Dear Dr Turner

Submission to the Senate Economics Legislation Committee – Future Made in Australia Bill 2024

I refer to your correspondence on 10 July 2024 inviting the Clean Energy Regulator (CER) to make a submission on the Future Made in Australia Bill 2024 [Provisions] and the Future Made in Australia (Omnibus Amendments No. 1) Bill 2024 [Provisions].

This submission focuses on the CER's role as the proposed administrator of the Guarantee of Origin (GO) Scheme which will verify the emissions intensity of production associated with low emissions production in Australia, which is proposed to be supported under the Future Made in Australia (FMIA) Bill. The GO scheme is expected to commence operation in the second half of 2025, as announced by Assistant Minister Jenny McAllister on 16 July 2024¹.

The GO scheme will be internationally aligned and will certify hydrogen, renewable electricity, and other products such as green metals and low carbon liquid fuels. The GO scheme will serve as a foundational measure to support the FMIA through its registration and certificates supporting eligibility requirements under the FMIA package including the Hydrogen Production Tax Incentive, Hydrogen Headstart program and other incentives for fuels and metals.

¹ https://minister.dcceew.gov.au/mcallister/media-releases/guarantee-origin-key-superpower-status



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ederal Budget under FMIA to fast-

The CER received \$15.7 million over four years as part of the 2024-2025 Federal Budget under FMIA to fast-track implementation of the GO scheme and accelerate expansion to other products, including green metals and fuels; building on the \$29.9 million in the 2023-2024 Federal Budget to establish the GO scheme.

We have been working with the Department of Climate Change, Energy, the Environment and Water (DCCEEW) to develop the detail of the GO scheme since 2021.

Key CER activities to date include:

- Supporting DCCEEW on the policy design process.
- Coordination of a series of <u>industry trials</u>² in 2022 and 2023 to facilitate early engagement. Trials involved 28 hydrogen and ammonia producers brought together to test and refine scheme policy design concepts and methodologies. Work included the development of the Hydrogen Production Emissions Calculator to help industry estimate emissions from hydrogen production that may be reportable under the GO scheme in future.
- Commencing core IT capability build for the GO scheme. CER is developing a future-ready platform that will allow GO to expand to new products over time and continue to effectively support FMIA measures.
- Development of a new unit and certificate register to streamline access to scheme data and enhance
 market transparency. It will incorporate beneficial aspects of blockchain technology, including blocksigning & block-chaining, to allow scalability and ensure verification and irrefutably of transactions. The
 new CER unit register will be implemented by end-2024 for safeguard mechanism credits, and will
 enable data-rich GO certificates from day one of the scheme.

We expect to be ready to implement GO from the second half of 2025.

Yours sincerely

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² https://cer.gov.au/schemes/guarantee-origin-scheme/designing-guarantee-origin