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Committee Secretary  
Senate Standing Committees on Environment and Communications

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On behalf of the Tasmanian Government I am pleased to provide this submission on the *Future Made in Australia (Guarantee of Origin) Bill 2024* and related bills.

Tasmania has the cleanest electricity grid in Australia and one of the cleanest in the world, reflecting its long history of hydro-electric development and world-class wind resources. Tasmania's clean, green branding is already a significant source of competitive advantage for our businesses, particularly in markets where customers are willing to pay a premium for low emissions products. Looking forward, this will increasingly be the case.

A trusted mechanism to certify and verify the attributes of green products and renewable energy is therefore of critical importance to Tasmania's ability to fully realise the economic opportunities offered by the global clean energy transition. For this reason, the Tasmanian Government strongly supports the Australian Government's efforts to implement a Guarantee of Origin scheme, provided that the scheme allows all locally generated renewable electricity to be certified, including so-called 'below baseline' generation, which represents the majority of Tasmania's hydro-electric generation.

The distinction between above and below-baseline generation is a product of the Australian Government's Renewable Energy Target (RET) scheme, which commenced in 2001. Reflecting the RET's focus on incentivising new generation, under that scheme, existing facilities are only eligible to create Large-scale Generation Certificates (LGCs) for renewable electricity generated in excess of their 1997 baselines.

I am pleased that this Bill will enable all renewable electricity generators to certify their renewable electricity generation. However, I am disappointed that it maintains the below-baseline concept for Renewable Electricity Guarantee of Origin certificates (REGOs) with respect to pre-1997 facilities and includes provisions that will allow specific restrictions to be placed on how below baseline REGOs can be used (section 108).

I understand that this decision reflects the interests of industry sources to minimise any impact the Guarantee of Origin scheme may have on the LGC market. This argument is self-serving and limiting the purposes for which below-baseline REGOs can be used will be at the expense of households, businesses and producers who incur greater costs to demonstrate their green credentials.

While the Guarantee of Origin scheme will provide a revenue opportunity for new entry renewable generation that will likely assist its commercial underpinning, the primary policy driver is to provide a certification scheme to back 'green credentials' by electricity users. Compromising the Guarantee of Origin scheme to support a higher LGC price is likely to be a particularly inefficient way to support new investment given that much of the benefit will be captured by existing (post-1997 but pre-2025) generation.

To the extent that some users prefer to purchase renewable energy generated by newer facilities, this will be facilitated through the inclusion of relevant information on the certificates, including the location and age of the facility and a time stamp indicating when the electricity was generated.

Furthermore, the 1997 baseline is increasingly arbitrary with the passage of time. There is no policy rationale for recognising renewable electricity from a generator commissioned in 1998 as being 'green' in 2025, while denying electricity consumers the ability to make a similar claim with respect to renewable electricity produced by a generator commissioned in 1996.

While details of the restrictions are still to be determined in the rules, I understand these are likely to focus on the types of customers who can use and surrender below-baseline REGOs. I am particularly concerned that some Tasmanian customers may be prevented from being able to purchase and surrender REGOs against their Tasmanian electricity demand. This may also place Tasmania at a competitive disadvantage internationally when other jurisdictions such as Norway and Canada use existing hydropower assets without such restrictions.

In conclusion, while the Tasmanian Government supports passage of the Bill, the Guarantee of Origin scheme's effectiveness will be enhanced by avoiding the imposition of unnecessary constraints on the use of REGOs created by older power stations.

Yours sincerely

Hon Nick Dúigan MLC  
**Minister for Energy and Renewables**