



8 February 2023

Department of Climate Change, Energy, the Environment and Water

Submitted via DCCEEW's consultation hub: [Consultation hub | Have your say on Renewable Electricity Certification - Australia's Guarantee of Origin Scheme: consultation papers - Climate Change \(dcceew.gov.au\)](#)

Dear Sir/Madam

**Renewable Electricity Guarantee of Origin
Policy Position Paper, December 2022**

Stanwell Corporation Limited (Stanwell) welcomes the opportunity to respond to the Department of Climate Change, Energy, the Environment and Water's (DCCEEW's) December 2022 Policy Position Paper on Australia's Renewable Electricity Guarantee of Origin Scheme.

We acknowledge the work of DCCEEW and the Clean Energy Regulator (CER) in preparing this consultation paper and we thank DCCEEW 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 generation and storage projects and technologies to help reduce emissions and ensure Queensland electricity supply remains secure and reliable now and into the future.

Stanwell commends the DCCEEW and CER for presenting two complementary carbon certificate schemes (one for renewable electricity and one for products) which demonstrate a measured approach to enabling and encouraging broad participation whilst carefully balancing the competing needs of stakeholders for these voluntary schemes. The timely commencement and fine tuning of both schemes will place Australia in good stead to be world leading in the international carbon certification and emissions reduction marathon upon us.

Stanwell would like a better understanding of any impacts around transitioning the Large-scale generation certificates (LGCs) to Renewable Electricity Guarantee of Origin certificates (REGOs) post the Renewable Electricity Targets (RET) in 2030. In particular we believe further analysis is required to identify any potential impacts where LGCs and REGOs are able to be created pre-2030, to ensure there are no unintended consequences

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regarding liquidity and pricing. Stanwell recommends that further consultation with stakeholders is undertaken on these matters.

Stanwell is overall supportive of the policy positions presented in the REGO Scheme as it will provide industry with the ability to create and purchase renewable electricity certificates beyond the life of the current RET scheme, and assist Australia in the transition to higher levels of renewable energy generation as Australia works towards its goal of net zero by 2050.

Stanwell is particularly supportive of the flexibility that will be provided as a result of the REGO's being tradable. However, we would like to highlight that in order to maximise adoption and utilisation of the REGO Scheme in the Australian economy, the modernisation of the CER registry is an absolute priority to support both the REGO and the ProductGO Schemes. Stanwell recognises that this will require a significant investment on the part of the CER and we would recommend the CER undertake initial scoping of this work in consultation with stakeholders to understand the potential impacts and costs that would result.

In addition, the creation of a secondary market for REGO and ProductGO certificates through the ASX would enable price discovery thus improving liquidity.

A summary of our main feedback to the REGO Scheme is:

- **Policy 3: Non-grid connected generators** - It is Stanwell's preference for non grid connected renewable electricity generation sources to be eligible to create (REGO) certificates, and we seek confirmation from DCCEE that this is the case.
- **Policy 6: REGO creation regardless of power station age** - Stanwell agrees that all renewable electricity generation should be allowed to create REGOs regardless of power station age. However, Stanwell would like to highlight that the allowance for below baseline power stations to generate REGOs is likely to lead to a different market valuation for REGO certificates that are from below baseline generation compared to certificates that are not from below baseline generation.
- **Policy 9: Additional Information** - For REGO certificates Stanwell seeks clarification on whether the intention is for all the additional information proposed to be mandatory for inclusion when creating the certificates, and whether the only optional aspect of this proposal is which of the mandatory fields of additional information is displayed on the public register.
- **Policy 11: Grid location** - Stanwell supports the inclusion of grid location for a REGO but encourages electricity data to be aligned with AEMO boundaries and definitions wherever possible to enable that data to be consistent and more easily verifiable using existing systems and processes already in place for electricity billing.
- **Policy 12: Time Stamping** – provided the CER's registry is modernised, the effort involved in timestamping a REGO with an hourly time stamp is no different to timestamping to five-minute intervals. Stanwell's view is that time stamping REGOs with five-minute interval data would future proof the REGO.
- **Policy 15: Systems for certificate matching** - With increasing demand from customers for bespoke electricity products, there is an urgent need to modernise and automate the CER registry so that participants are able to interact with the registry at a system to system level. The proposed additional information fields for certificates will simply accelerate this need. Stanwell's recommendation is to use an Application Programming Interface (API). Stanwell's Information and Communications Technology (ICT) team would be happy to participate in any discussions about re-design and upgrades to the CER's registry.

More detailed responses to the above policy positions, as well as other positions presented in the paper, is detailed in Attachment 1.

Stanwell appreciates the opportunity to contribute to DCCEE's development of Australia's REGO Scheme and we look forward to working with DCCEE as development of the Scheme is progressed.

Should DCCEE 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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Attachment 1

Renewable Electricity Guarantee of Origin Scheme: Proposed Policy Positions

Policy 1: The Department proposes to develop and implement an enduring tradeable renewable electricity certificate mechanism administered by the Clean Energy Regulator.

Agree

Policy 2: The Department proposes to allow renewable electricity generation to create REGOs where that generation has not already created LGCs, STCs (unless the certificate creation period has passed) or other certificates.

Agree

Policy 3: The Department proposes to allow eligible renewable energy sources as defined under the *Renewable Energy (Electricity) Act 2000* to create REGOs.

Agree

Stanwell seeks to confirm whether non grid connected renewable electricity generation sources would also be eligible to create REGOs? It is Stanwell's preference that non grid connected renewable electricity generation sources would be eligible to create REGOs.

Policy 4: The Department proposes to allow storage facilities to create REGOs for electricity dispatched if they demonstrate that the stored energy came from eligible renewable electricity generation by first surrendering an appropriate REGO or LGC.

Agree

Policy 5: The Department proposes that electricity generated by offshore renewable energy power stations and storage facilities located within coastal waters of states and territories, the territorial sea of Australia, and Australia's Exclusive Economic Zone, and electricity that is exported internationally, be eligible to create REGOs.

Agree

Policy 6: The Department proposes to allow all renewable electricity generation to create REGOs regardless of power station age.

Agree

Stanwell agrees that all renewable electricity generation should be allowed to create REGOs regardless of power station age. However, Stanwell would like to highlight that the allowance for below baseline power stations to generate REGOs is likely to lead to a different market valuation for REGO's that are from below baseline generation compared to REGOs that are not from below baseline generation.

Policy 7: the department proposes to allow all renewable electricity generation to create REGOs regardless of power station or storage facility capacity.

Agree

Policy 8: The Department proposes to require REGOs include all the information currently displayed on LGCs, and that this information be publicly visible.

Agree

Policy 9: The Department proposes to allow RET participants to choose to include on LGCs some or all of the additional information required on REGOs.

Agree.

Stanwell agrees with the ability to include all the additional information proposed in this consultation paper as it would enable retailers to meet a customers' bespoke requirements for renewable electricity.

Policy positions 10 to 14 and 16 describe the additional information that is proposed to be required on a REGO. Stanwell seeks to confirm whether all the additional information proposed in this consultation document (as required) must be provided before a REGO can be created, or is it only a requirement if a REGO certificate creator chooses to have that information displayed and provided to its customer?

Policy 10: The Department proposes to require REGOs include the commissioning date of the power station or storage facility creating the certificates.

Agree

Policy 11: The Department proposes to require REGOs to include the grid location of the power station or storage facility creating the certificates.

Agree

Stanwell agrees with this concept but seeks further details on how the grid location will be defined and the granularity of the grid location proposed. It is Stanwell's preference for REGO electricity data grid location to be aligned with AEMO boundaries and definitions wherever possible to enable that data to be consistent and more easily verifiable using existing systems and processes already in place for electricity billing.

Policy 12: The Department proposes that REGOs created by power stations and storage facilities over 1 MW in capacity be required to include a timestamp reflecting the hour in which the electricity was dispatched by the power station or storage facility.

Agree

The more stringent international emission certification schemes seek to time match electricity generation, with time of use in the manufactured product. Therefore, it is Stanwell's view that to truly future proof the REGO, time stamping should be at five-minute intervals rather than one hourly so that it is consistent with electricity generation and consumption data which is already available from AEMO (the Australian Energy Market Operator).

There will need to be more detailed consideration of the potential time delays involved in final meter becoming available from AEMO and the application of this data to the REGO creation and reconciliation process. However, once this process has been decided, the effort to timestamp a REGO for a five-minute interval will be no more labour intensive than time stamping hourly.

The system required to rapidly process and enable matching and trading of certificates time stamped to a five minute interval will have to be significantly more powerful than the CER's current registry and for this reason, modernisation of the CER registry is a priority. Potential risks associated with liquidity could be addressed through the creation of a secondary market to enable price discovery and hence Stanwell urges the CER to commence discussions with the ASX as early as possible.

<p>Policy 13: The Department proposes to require REGOs to include information indicating whether the certificate was created for generation exported overseas, or for electricity dispatched from a storage facility.</p>
<p>Agree</p>
<p>Policy 14: The Department proposes that anyone may surrender a REGO at any time, including for the purpose of creating a product Guarantee of Origin certificate.</p>
<p>Agree</p>
<p>Policy 15: The Department proposes that the Clean Energy Regulator develop systems and processes to facilitate the voluntary matching of certificates based on time or other energy attributes.</p>
<p>Agree</p> <p>All of the additional information proposed for REGOs and LGCs have the potential to be very useful to a wide range of participants. But the information is only useful if participants interacting with the CER's registry have a quick and easy way to create, identify, trade and surrender large volumes of certificates with the attributes of importance to them.</p> <p>With increasing demand from customers for bespoke electricity products, there is an urgent need for some automated way to read information from and write information to the CER's registry. Otherwise, participants will be forced to create extra processes and system in house (at significant added costs) to manage this data interaction outside of the CER's registry in order to ensure accuracy, consistency and quality of certificates being transferred and surrendered across the market.</p> <p>Stanwell's recommendation would be to use ReST-based services to enable participant systems to read from and update data directly within the CER's registry as part of Business to Business API's (Application Programming Interfaces)</p> <p>Significant upgrades to the IT for CER registry will be required to support these new additional information fields and speed up system processing and interaction capabilities. Stanwell's ICT team would be happy to participate in any discussion related to any re-design/upgrades to the CER's Registry.</p>
<p>Policy 16: The Department proposes to require REGOs to include the name of the person or organisation on whose behalf the REGO is being surrendered, where applicable and if the surrender is being made on behalf of many organisations.</p>
<p>Agree</p>
<p>Policy 17: The Department proposes that additional information capturing the purpose of the REGO surrender be required to be provided when a person or organisation surrenders a REGO, and be publicly visible.</p>
<p>Agree</p>

End of Submission