

# Submission on the Future Made in Australia Guarantee of Origin Rules

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## About IGCC

IGCC is a collaboration of Australian and New Zealand institutional investors focused on the impact of climate change on investments. IGCC represents investors with total funds under management of over $4 trillion in Australia and New Zealand and $44 trillion around the world. IGCC’s members are the custodians of the retirement savings of around 15 million Australians.

## Summary of response

IGCC welcomes the opportunity to comment on the proposed design of Australia’s renewable electricity certification scheme. This submission is focused on Part 4: the Certification of renewable electricity, specifically the proposed 1MWh sizing of REGO certificates. Getting REGOs right is critical for market integrity, international alignment, and the ability for IGCC members to meet enhanced climate commitments in their portfolios.

## Key concerns

### Alignment with international trading partners

* The scheme’s stated aim is to support the development of Australian green industries and international trade in low-emissions products. For these products to be certified “green” by our international trading partners, they will likely require some degree of time matching in future.
* It is therefore important that the Australian scheme match international equivalents. The proposed 1MWh sizing risks putting Australia at odds with international designs, most notably the EU’s Renewable Energy Directive III (RED III) and EnergyTag’s Granular Certificate Scheme Standard, which is seen as international best practice for time matching.
* The EU’s RED III allows certificates as small as 1Wh and supporting hourly or sub-hourly matching and encourages member states to adopt similar rules.
* EnergyTag, the leading global standard-setter, also supports flexible, granular certificate sizes, with 1Wh granularity common in pilots.
* A 1 MWh minimum risks isolating Australia from these markets, undermining the credibility and export potential of Australian green products.

### Alignment with Voluntary Carbon Accounting Standards

* The Greenhouse Gas (GHG) Protocol – the global carbon accounting standard – is reviewing its Scope 2 Guidance, which will likely include a focus on time matched renewable energy, requiring companies to align their renewable energy purchases with the actual hours of their electricity consumption when disclosing scope 2 emissions.
* If the GO scheme is to be “an Australian Government-backed emissions accounting framework”, it should align with the GHG Protocol, ensuring consistent sizing of REGOs.
* Other voluntary corporate, target-based mechanisms are also shifting to adopt time matched principles. The Climate Group is encouraging members of their RE100 Coalition to adopt 24/7 Carbon Free Energy Principles. Likewise, the Science Based Targets Initiative’s new Net Zero Standard requires companies match renewable energy purchases to actual demand.
* As more IGCC members and Australian corporates adopt granular, time-matched Scope 2 carbon footprints, any Australian Government-backed emissions standard must remain flexible and aligned with evolving international standards for granular certification.

### Exclusion of SMEs from participation in the scheme

* A 1 MWh certificate size would exclude SMEs and facilities with sub-1 MW hourly loads from participating in time-matched renewable energy claims. This risks stifling innovation, demand management, and battery storage uptake, contrary to the scheme’s objectives.
* Consider IGCC member EG Funds, with a time-matched solar energy agreement across five commercial property sites in Sydney. None of these sites have a peak hourly load above 150kW, meaning this renewable energy use would not be accounted for by hourly REGOs. Other IGCC members manage or own virtual power plants, which would not be able to participate in the scheme.
* The proposed aggregation solution risks undermining the broader demand management and storage solutions by certifying renewable energy on a daily, rather than hourly, basis.

## For more information

IGCC looks forward to continued engagement with DCCEEW. For any questions on content in this submission, please contact Policy Manager Bethany Richards at bethany.richards@igcc.org.au.