27th April 2026

Department of Climate Change, Energy, the Environment and Water
Australian Government
GPO Box 3090, Canberra ACT 2601, Australia

Dear Guarantee of Origin team,

Re: Exposure Draft of Guarantee of Origin Amendment (Biogas, Biomethane, Iron Ore Pathways and Cost Recovery)

The Australian Hydrogen Council (AHC) welcomes the opportunity to provide feedback on the Exposure Draft of the Guarantee of Origin Amendment concerning biogas, biomethane, iron ore pathways and cost recovery. This consultation introduces new production pathways for biogas, biomethane and iron ore, new product-specific certificate attributes, and cost recovery phasing for the new pathways.

AHC's members include companies across the hydrogen and derivative value chain, including those working in adjacent low-emissions product markets and the enabling infrastructure, certification and policy settings required to support them.

The AHC is broadly supportive of the draft amendment proceeding. The expansion is logical and consistent with the stated purpose of the GO Scheme as a certification mechanism to track and verify emissions associated with low-emissions products and support market development and trade. We also welcome the continued effort to align emissions accounting, where possible, with the National Greenhouse and Energy Reporting framework, noting many scheme participants are likely to also be NGER reporters.

AHC's comments are set out below.

Accounting approach and use of certified inputs

AHC supports the approach of allowing upstream emissions of certain fuels and inputs to be recognised through either default factors or certified emissions associated with a registered PGO certificate. The amendment clarifies that where a fuel has a registered PGO certificate, its delivered emissions intensity can be used, and that where the fuel is produced within the same production pathway, the upstream scope 3 emissions are not double-counted.

This is sensible. It rewards use of certified lower-emissions inputs, improves internal consistency across the scheme, and provides a basis for future alignment of certificates across linked value chains. However, default emissions factors and direct measurement should not be treated as equivalent over time. The scheme should provide a clear pathway toward increasing use of higher-fidelity, instrumented data where it becomes technically and commercially practicable at scale, supported by a transparent hierarchy of evidence (instrumented data > audited operational data > default factors).

Iron ore pathway: a good start for useful industrial certification

AHC strongly welcomes the inclusion of an iron ore pathway. The draft includes several notable design features for iron ore:

- the functional unit is one dry metric tonne,
- moisture is explicitly accounted for,
- section 14 is extended so incomplete annual datasets can be used for some iron ore delivery parameters,
- and product-specific certificate attributes include iron content, primary mineral iron oxide type, and post-production moisture content at the delivery gate.

Requiring iron content and primary mineral type on the certificate makes sense because these are commercially and technically meaningful product characteristics, not just emissions information. Similarly, including moisture content for the transported quantity supports more accurate interpretation of delivered product.

The use of dry metric tonne as the functional unit is appropriate. It avoids the obvious comparability problem that would arise if materially different moisture levels were allowed to distort the basis of certification.

AHC's main observation here is that moisture and loss accounting should be kept as practical and auditable as possible. The more complex the delivery chain, the more important it will be that participants can apply these rules consistently.

More broadly, the inclusion of transport-related emissions aligns with the realities of bulk commodity supply chains, where movement between sites is integral to the product pathway. As with methane pathways, the practical application of these provisions will depend on clear and workable approaches to evidencing transport distances, routes and handling processes.

Overall, the inclusion of iron ore in the GO Scheme signals a shift in the scheme toward industrial product certification. The relevance of iron ore certification will ultimately depend on how it connects to broader industrial decarbonisation pathways, including processing, reduction and conversion into export-facing products. While it is not necessary to resolve these linkages within this instrument, the GO Scheme must continue to evolve in a way that maintains coherence across connected industrial value chains as those pathways develop.

Biogas and biomethane: workable structure, but fugitive emissions will matter

AHC supports the distinction between biogas by anaerobic digestion, and biomethane by biogas upgrading. The pathways and optional modules are framed in a technology-neutral way, which is appropriate.

AHC also supports the introduction of a new common source emissions provision for biogenic feedstock supply, with emissions calculated using default factors in Part 9 of Schedule 1. At this stage, the explanatory document makes clear that the table only includes wastes and residues, but is intended to expand in future, including to dedicated energy crops. The current list, with zero-value default factors for a range of farm, food-processing, forestry, wastewater and source-separated waste streams, is a reasonable starting point for early scheme participation.

However, this is also where a more significant policy question will emerge. Not all biogenic inputs are equivalent from a sustainability perspective, and the distinction between wastes, residues and dedicated energy crops is likely to become more material over time. While the GO Scheme does not need to resolve these questions itself, it will need to remain sufficiently transparent to allow governments and markets to apply those distinctions where required.

The treatment of feedstock transport and pre-treatment is a useful addition in the context of methane pathways, where inputs are often distributed and variable. These provisions better reflect real project configurations, particularly where biogas is transported for upgrading. The draft's clarification that transport provisions apply to delivery to the production pathway, and that pipeline transport can capture movement of biogas to upgrading facilities, is helpful. Their effectiveness will depend on the availability and consistency of upstream data, and the provision of practical guidance to support implementation, particularly in evidencing origin, transport pathways and pre-treatment categories.

Where AHC expects the greatest practical sensitivity to lie is in fugitive emissions. Section 65 introduces a dedicated methane fugitive emissions method covering leaks, flaring and venting, with either a default approximation method or a process-specific method. The draft also includes some equipment-specific leakage factors, but several categories remain marked TBC, including anaerobic digesters and digestate storage.

These parameters will be highly material to scheme credibility. Even relatively small changes in assumed methane leakage rates can materially alter lifecycle emissions outcomes. The Department should prioritise completion and validation of these factors, and ensure that default assumptions are demonstrably conservative relative to measured real-world performance.

The inclusion of product-specific attributes, including methane content, moisture content and feedstock origin, is appropriate. In particular, the requirement to disclose the proportion of feedstock derived from energy crops improves transparency and will become increasingly important as markets begin to differentiate between feedstock sources.

Cost recovery and phase-in remission

AHC supports the decision to include the new pathways within the cost recovery phase-in framework. Schedule 6, as amended, would make biogas, biomethane and iron ore eligible production pathways for remission, alongside electrolysis, gas reforming, solid gasification and pyrolysis, and aluminium. The remission schedule remains generous at the outset, beginning with 100% remission in FY2025 and FY2026, tapering to 30% by FY2030, and repealing at the end of 30 June 2031.

That is appropriate for nascent industries: early cost settings matter disproportionately in sectors where project economics remain tight and certification systems are still establishing market value.

Conclusion

AHC welcomes the continued expansion of the GO Scheme and is broadly supportive of the proposed amendment.

The addition of biogas, biomethane and iron ore pathways is a constructive next step. The proposed product-specific attributes are generally sensible, the treatment of certified inputs and internal fuels improves internal consistency, and the phase-in remission of cost recovery charges is appropriate for emerging pathways.

As the scheme expands into industrial materials, greater clarity will be required on how certificates are expected to operate across linked value chains, including downstream transformation (e.g. iron ore to DRI/HBI and steel). Signalling the intended role of GO certificates in these downstream applications – including treatment of cumulative emissions – would materially improve investment certainty and support the development of export-facing low-emissions product markets.

If you wish to discuss any element of this submission in further detail, please contact me at fsimon@h2council.com.au.

Kind Regards,

Fiona Simon
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Australian Hydrogen Council