

SCHEDULE 1

Renewable Fuel Scheme Rule of 2024

The Hon Penny Sharpe, MLC
Minister for Climate Change, Minister for Energy,
Minister for the Environment, Minister for Heritage,
Leader of the Government in the Legislative Council

Simplified outline

The following is a simplified outline of this Rule:

- clause 1 sets out the name and commencement of the Rule
- clause 2 sets out the objects of the Rule
- clause 3 sets out the application of the Rule
- clause 4 sets out the status and operation of the Rule
- clause 5 sets out the definitions of the Rule
- clause 6 sets out the provisions for an Eligible Production Activity
- clause 7 sets out the provisions for an Eligible Production Method
- clause 8 sets out the provisions for Renewable Energy Certificates
- clause 9 sets out the provisions for the creation of Renewable Fuel Certificates

Drafting Note

- (a) The '*GO Act 2024 (Cth)*' refers to forthcoming legislation for the proposed Guarantee of Origin scheme and any subordinate instruments. It is expected to be made in 2024.
 - (b) References to the '*GO Act 2024 (Cth)*' will be reviewed before publishing this Rule in the NSW Government gazette.
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1 Name and commencement

- 1.1 This Rule is the *Renewable Fuel Scheme Rule of 2024* and commences on [commencement date].

2 Objects of the Rule

- 2.1 The object of this Rule is to specify provisions for the calculation and creation of Renewable Fuel Certificates in relation to an activity, or class of activity, that produces Renewable Fuel.

3 Application of the Rule

- 3.1 This Rule applies to ACPs accredited to create Renewable Fuel Certificates in respect of activities in accordance with Part 3 of Schedule 4A of the Act, the *Electricity Supply (General) Regulation 2014* and this Rule.

4 Status and Operation of the Rule

- 4.1 This Rule is a scheme rule made under Part 3 of Schedule 4A of the Act.

5 Interpretation

- 5.1 Words and expressions that occur in this Rule have the same meanings as set out in Part 3 of Schedule 4A of the Act, except in so far as the context or subject matter otherwise indicates or requires, or as otherwise defined in clause 5.3 of this Rule.

- 5.2 In this Rule, unless the contrary intention appears:

- (a) a reference to a word or expression in the singular includes the plural and the plural includes the singular;
- (b) headings and bold type are only for convenience and do not affect the meaning of this Rule.

- 5.3 In this Rule, unless the context otherwise requires:

“**ACP**” is the Accredited Certificate Provider.

“**Act**” is the *Electricity Supply Act 1995*.

“**Address**” is a street address in NSW, in a format approved by the Scheme Administrator.

“**Annual Baseline Production**” is the baseline for annual Renewable Fuel Production, in kilograms, for the Sites listed in **Table 1** of this Rule and is measured over a calendar year.

“**Clean Energy Regulator**” is the independent statutory authority established by the *Clean Energy Regulator Act 2011 (Cth)*.

“**Direct Combustion Emissions**” is the emissions associated with the relevant quantity of all fuels combusted for an Eligible Production Method within the RFS Emissions Boundary at a Site.

“**Electricity Emissions**” is the emissions that occur through the use of purchased electricity for Renewable Fuel Production within the RFS Emissions Boundary at a Site.

“**Electrolysis of Water**” is the process of splitting water into hydrogen and oxygen using electricity.

“**Eligible Production Activity**” is defined in clause 6 of this Rule.

“**Eligible Production Method**” is defined in clause 7 of this Rule.

“**Green Hydrogen**” is defined in clause 148 of Schedule 4A of the Act.

Note: Green Hydrogen means hydrogen produced using Renewable Energy, other than biomass from timber native to Australia.

“**GreenPower**” is the National GreenPower Accreditation Program.

“**GreenPower Product**” is a product accredited for use in GreenPower.

Note: GreenPower is a renewable energy certification initiative of state and territory governments. The GreenPower program ensures that any GreenPower purchases by electricity consumers are matched with accredited renewable electricity added to the grid on their behalf.

“**GreenPower Program Rules**” is the program rules for GreenPower which govern how it operates.

“**Imported Steam Emissions**” is the emissions that occur through the use of purchased steam for Renewable Fuel Production within the RFS Emissions Boundary at a Site.

“**LHV**” is the lower heating value and has the numeric value set out in **Equation 2**.

Note: LHV refers to the value of the heat of combustion of a fuel measured by allowing all products of combustion to remain in the gaseous state. This method of measure does not take into account the heat energy put into the vaporisation of water (heat of vaporisation).

“**Local Use**” is the end use of Green Hydrogen in NSW or for NSW Government-funded projects.

“**Local Use Factor**” is an adjustment to the calculation of Renewable Fuel Certificates based on the Local Use.

“**NGER Act**” is the *National Greenhouse and Energy Reporting Act 2007 (Cth)*.

“**Product GO**” is the “product guarantee of origin” as defined in the ‘*GO Act 2024 (Cth)*’.

“**Product GO Batch Period**” is as defined in the ‘*GO Act 2024 (Cth)*’.

“**Product GO Certificate**” is batches of certificates created under the ‘*GO Act 2024 (Cth)*’.

“**Production Period**” is the continuous period in which an Eligible Production Activity takes place. It is not less than the Product GO Batch Period and not greater than 12 months.

“**Purity**” is the volume percent of Renewable Fuel within a mixture of gases, measured at the point of exit from the RFS Emissions Boundary.

“**Renewable Energy**” is “eligible renewable energy sources” as defined in the ‘*GO Act 2024 (Cth)*’.

“**Renewable Energy Certificates**” is defined in the *Renewable Energy (Electricity) Act 2000 (Cth)*. Eligibility requirements are set out in clause 8 of this Rule.

“**Renewable Fuel**” is Green Hydrogen.

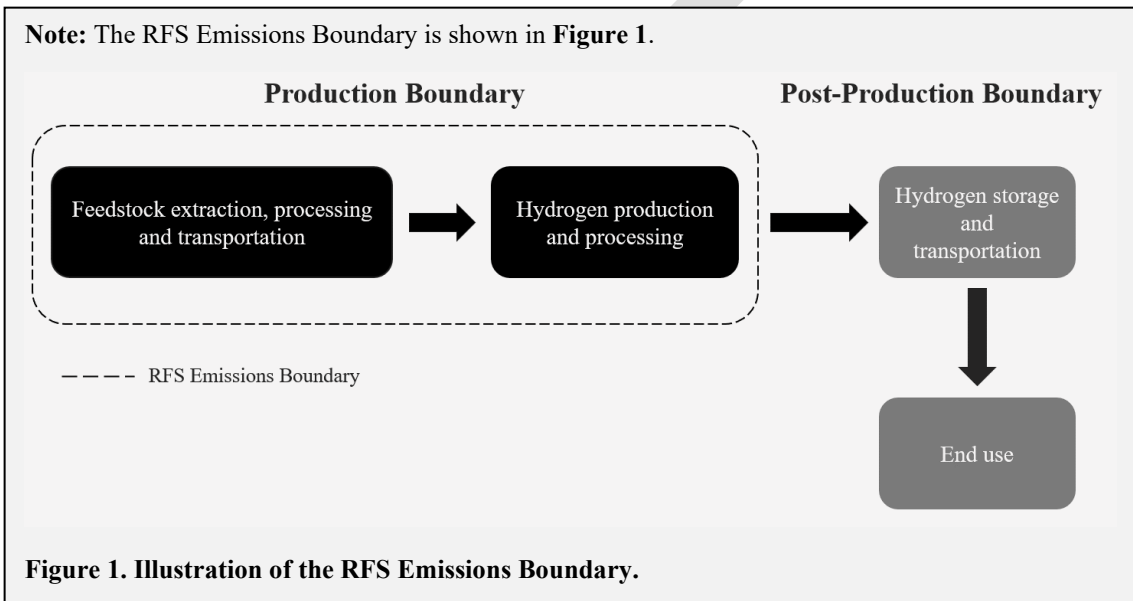
“**Renewable Fuel Certificate**” is a certificate created under clause 170 of Schedule 4A of the Act. It must meet the requirements set out in clause 9 of this Rule.

Note: A Renewable Fuel Certificate has no effect until it is registered by the Scheme Administrator in the register of certificates (clause 181 of Schedule 4A of the Act). A Renewable Fuel Certificate remains in force for 3 years from the date on which the certificate is registered by the Scheme Administrator, unless cancelled sooner (clause 183 of Schedule 4A of the Act).

“**Renewable Fuel Production**” is the amount of Renewable Fuel produced, in gigajoules, calculated using **Equation 2**.

“**RFS Emissions Boundary**” is the hydrogen “production boundary” as defined in the ‘*GO Act 2024 (Cth)*’.

Note: The RFS Emissions Boundary is shown in **Figure 1**.



“**RFS Emissions Data**” is emissions associated with an Eligible Production Activity within the RFS Emissions Boundary at a Site over a Production Period. The RFS Emissions Data is obtained from data on Product GO Certificates or data recorded by the Clean Energy Regulator under the Product GO. The RFS Emissions Data includes:

- Electricity Emissions (kg CO₂-e / kg hydrogen)
- Direct Combustion Emissions (kg CO₂-e / kg hydrogen)
- Imported Steam Emissions (kg CO₂-e / kg hydrogen)
- Total Production Emissions (kg CO₂-e / kg hydrogen).

“**Site**” is the location of an Eligible Production Activity as defined by an Address or a unique site identifier determined by the Scheme Administrator.

“**Total Production Emissions**” is as defined in the ‘*GO Act 2024 (Cth)*’.

6 Eligible Production Activity

6.1 An Eligible Production Activity:

- (a) produces hydrogen that has minimum purity of 99.9 volume percent;
- (b) is produced by an Eligible Production Method;
- (c) occurs at a Site located in NSW;
- (d) is eligible for Product GO Certificates;

- (e) has a Production Period that starts on or after the commencement of the Product GO; and
- (f) complies with all relevant local, state, and national codes and regulatory authority requirements.

6.2 An activity that meets the requirements set out in clause 6.1 of this Rule will be taken to have produced a Renewable Fuel.

7 Eligible Production Method

7.1 An Eligible Production Method:

- (a) is the Electrolysis of Water; and
- (b) meets the requirements set out in clause 7.2 of this Rule.

7.2 For an Eligible Production Method:

- (a) Electricity Emissions must be zero by matching the electricity use with an equivalent number of Renewable Energy Certificates; and
- (b) Direct Combustion Emissions must be less than 2.5% of the Total Production Emissions.

8 Renewable Energy Certificates

8.1 Renewable Energy Certificates:

- (a) must only include certificates eligible under the GreenPower Program Rules; and
- (b) must involve the surrender of certificates through an accredited GreenPower Product.

9 Creation of Renewable Fuel Certificates

9.1 An ACP may only create Renewable Fuel Certificates if the ACP is accredited by the Scheme Administrator before creating Renewable Fuel Certificates.

9.2 For the purposes of clause 170(3) of Schedule 4A of the Act, the number of Renewable Fuel Certificates for an Eligible Production Activity over a Production Period is calculated using **Equation 1**, with the number rounded to one decimal place.

Equation 1

$$\text{Number of Renewable Fuel Certificates} = \text{Renewable Fuel Production} \times \text{Local Use Factor}$$

Where:

- *Renewable Fuel Production* is in gigajoules (GJ) and calculated using **Equation 2**.
- *Local Use Factor* is 1 for this Rule.

Note: In future, the Local Use Factor may be adjusted based on local use of Green Hydrogen at a Site.

Equation 2

$$\text{Renewable Fuel Production} = \text{Hydrogen GO} \times \text{LHV}$$

Where:

- *Renewable Fuel Production* is in gigajoules (GJ).
- *Hydrogen GO* is the amount of hydrogen produced, in kilograms (kg), obtained from Product GO Certificates and meets the requirements of clause 6.
- *LHV* is 0.120 GJ/kg.

9.3 Renewable Fuel Certificates cannot be used to claim the purchase or use of Green Hydrogen for emissions reduction or other purposes. They can only be used to meet scheme liabilities.

9.4 The Sites listed in **Table 1** can only create Renewable Fuel Certificates for Renewable Fuel Production above their Annual Baseline Production.

Site	Address	Annual Baseline Production
Western Sydney Green Hydrogen Hub	Horsley Park, Western Sydney	[TBC]

Table 1. Sites and Annual Baseline Production.

9.5 In accordance with clause 170(4) of Schedule 4A of the Act, Renewable Fuel Certificates should be created no later than 6 months after the end of the calendar year in which a Production Period ends.

Note: The latest certificate creation date for a Production Period is shown in **Figure 2**.

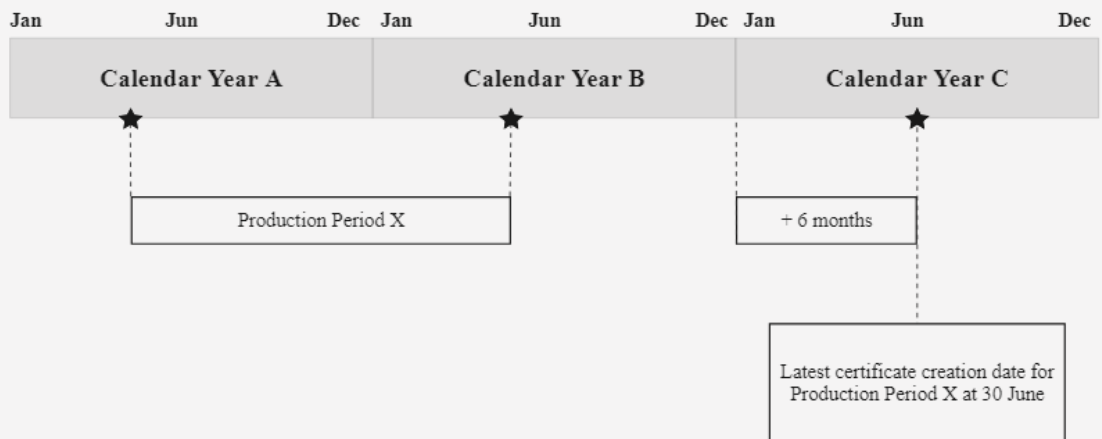


Figure 2. Illustration of Production Period and creation of Renewable Fuel Certificates.

- 9.6** Before creating Renewable Fuel Certificates, an ACP must ensure that the calculation of Renewable Fuel Production is based on the latest data for the RFS Emissions Boundary.
- 9.7** For Renewable Fuel Certificates created, where related Product GO Certificate data has been changed and approved by the Clean Energy Regulator, an ACP must provide the updated data to the Scheme Administrator in a manner and form determined by the Scheme Administrator.
- 9.8** An ACP must provide the following information to the Scheme Administrator in a manner and form determined by the Scheme Administrator:
- (a) ACP information:
 - (i) ACP identifier and Australian business number.
 - (b) Site information:
 - (i) Address of the Site(s) where an Eligible Production Activity occurred;
 - (ii) any other identifiers required to identify the Site(s) where an Eligible Production Activity occurred; and
 - (iii) electrolysis technology used.
 - (c) Product GO Certificate data:
 - (i) corresponding Product GO Certificate batch identifier;
 - (ii) corresponding GreenPower batch identifier; and
 - (iii) purity of the Renewable Fuel.
 - (d) Renewable Fuel Certificate data:
 - (i) Production Period start date and end date; and
 - (ii) Renewable Fuel Production, in gigajoules, for each Site in a Production Period calculated using **Equation 2**.
 - (iii) RFS Emissions Data for each Site:
 - Electricity Emissions (kg CO₂-e / kg hydrogen)
 - Imported Steam Emissions (kg CO₂-e / kg hydrogen)
 - Direct Combustion Emissions (kg CO₂-e / kg hydrogen)
 - Total Production Emissions (kg CO₂-e / kg hydrogen).
 - (e) Additional information if known by the ACP at the time of creating Renewable Fuel Certificates:
 - (i) end use of Green Hydrogen, including location and type; and
 - (ii) price of each Renewable Fuel Certificate.

Note: The additional information in clause 9.8(e) of this Rule is for internal purposes only and will not be published. This information is not mandatory, and an ACP can create Renewable Fuel Certificates without providing this information.

- (f) any other data providing evidence of Green Hydrogen production as published from time to time by the Scheme Administrator.