

7 February 2025

Victorian Department of Energy, Environment, and Climate Action
PO Box 500
East Melbourne VIC 8002



Submitted via email: gas.roadmap@deeca.vic.gov.au

Victorian Industrial Renewable Gas Guarantee

The Australian Financial Markets Association (AFMA) is the leading industry association representing Australia's financial markets - including the capital, credit, derivatives, foreign exchange, and other specialist markets such as environmental products. We have more than 130 members, from Australian and international banks, leading brokers, securities companies, and state government treasury corporations to asset managers, energy firms, and industry service providers, many of whom are key participants in environmental product markets.

Key Points

- **AFMA supports the proposed market-based certificate scheme.**
- **The costs of the scheme should be borne by all users.**

1. Support market-based approach

As AFMA expressed in its first submission,¹ AFMA supports the proposed Victorian Industrial Renewable Gas Guarantee. We are pleased that the Government has opted for a market-based certificate scheme, targeting abatement of industrial and GPG sectors, inclusion of biomethane, and intent to utilise the Guarantee of Origin scheme.

AFMA believes that 2027 is an appropriate start time and AFMA would be glad to work with the department on the scheme and market build.

AFMA does not have a view on whether the target is appropriate or not. However, our experience from other environmental product schemes is that supply can be limited when schemes are established or subject to major changes. This was evidenced in both following changes to the Victorian Energy Upgrades scheme and the NSW renewable fuel scheme, with NSW having to delay their start date as a result. Therefore, AFMA encourages the department to ensure that the target is achievable and that forecast supply will be able to meet demand.

2. Liable entities

AFMA requests further information as to who would fall into the category of a liable entity. The consultation paper mentions both energy retailers and other wholesale energy purchases. We believe it important that large industrial customers who purchase without a retailer are also included as a liable entity, to ensure all users who the scheme is designed to benefit are captured.

3. Establishing the scheme

AFMA notes the department is currently considering options to either include biomethane in the VEU program as a new activity or to establish a free-standing scheme. AFMA is agnostic as to whether linking to the VEU scheme would be beneficial or not. AFMA sees merit in aligning to an

¹ [AFMA submission: Victoria's Renewable Gas Consultation Paper](#)

existing program and legislative architecture; however, with the VEU scheme currently under review and with it being an energy efficiency scheme, we also question the potential appropriateness.

AFMA would welcome the opportunity to discuss this submission further and would be pleased to provide further information or clarity as required. Please contact Monica Young via myoung@afma.com.au or 02 9776 7917.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Monica', written in a cursive style.

Monica Young

Policy Manager