



HYDROGEN AUSTRALIA
A DIVISION OF THE SMART ENERGY COUNCIL

Overview of Zero Carbon Certification Scheme

What it is:

The Zero Carbon Certification Scheme is an industry-led Guarantee of Origin style scheme which promotes the uptake and distribution of renewable hydrogen products and their derivatives in Australia and overseas. The scheme will assess the embedded carbon in participating hydrogen, ammonia and metals produced within Australia.

This industry-led initiative will be cognisant of the Australian Government's work in this area as part of the National Hydrogen Strategy and will complement international certification work.

A Guarantee of Origin is a certificate instrument that labels the origin of a product and provides information to customers on the source of their products and how they are made. In this case, it will certify the renewable hydrogen, green ammonia or green metal has been made from renewable energy sources, and provide an embedded carbon rating. It operates as a tracking system ensuring the product quality and the greenhouse gas emissions (if any) associated with its production.

Our aim is to accelerate the development and deployment of renewable hydrogen, green ammonia and green metals in Australia and around the world.

Aim and approach:

Following the announcement of the National Hydrogen Strategy, one of the core aspects highlighted by the Federal Government was a need for a 'robust, internationally accepted, provenance certification scheme.' The Smart Energy Council, through its Hydrogen Australia division, seeks to initiate a scheme which can be implemented on a voluntary basis with the aim to expand the scheme to a state, national, and international context.

Basic aspects of the scheme:

In essence the scheme will operate as three parallel certification 'badges' (e.g. #RenewableHydrogenCertified, #GreenAmmoniaCertified, #GreenSteelCertified, etc) for renewable hydrogen (compressed gas); green ammonia; and green metals – respectively. All products and derivatives must be made from renewable sources such as wind, solar, biomass and hydro - those sources deemed satisfactory for the Federal Government Renewable Energy Target certificates. Blue hydrogen made from fossil fuels with associated carbon capture and storage will *not* be covered by this Renewables Certification Scheme.

At this stage, and subject to further advice from industry, the scheme will be based on the industry-led CertifHy scheme in Europe (with regard to the green aspects of this scheme). It will focus on certification of emissions (if any) associated with the Feedstock and Production of the products receiving the guarantee that it has been made from renewable sources. It is not intended that the

initial scheme will include emissions embodied within the plant, transport, conversion and reconversion, and use of the end product – unless this is established as a requirement of the parties.

It will allow for electricity to be sourced directly from renewable generation plants, via third party Power Purchase Agreements, or via the grid (provided zero emissions can be demonstrated through methods such as Large Scale Certificate surrender, purchasing Green Power and supplementary carbon offsets which meet international carbon accounting standards). It is intended that the scheme will recognise best practice production taking into account externalities and help build the social licence for this emerging multi-billion dollar industry in Australia.

The scheme is being developed in collaboration with domestic and international partners to ensure it meets requirements of both domestic industry and international markets. Hydrogen Australia is using its international networks to establish bilateral agreements to develop the scheme (to be announced soon) and is identifying suitable partners and places in Australia to pilot the certification scheme – before rolling out Australia wide and further internationally.

Conditions:

The certification scheme will be available at a discounted rate to members of the Smart Energy Council.

Conclusion and next steps:

Hydrogen Australia is excited to work with all Australian Governments, renewable hydrogen, green ammonia and green metals producers to develop this scheme, and is seeking expressions of interest from parties wanting to be involved. It is an opportunity for Australia to take leadership role in transitioning the world to a zero-carbon future.