

GreenPower submission to the DITRDCSA Cleaner Fuels Program Policy Design and Engagement Paper

18 December 2025

The National GreenPower Accreditation Program (GreenPower) welcomes the opportunity to comment on the Cleaner Fuels Program Policy Design and Engagement Paper.

The positions presented in this submission are representative of the National GreenPower Accreditation Program only, and as it relates to the Program's mission. They are not to be interpreted as positions of state and territory governments.

GreenPower's mission

Help energy users access government-accredited, Australian-made renewable electricity and renewable fuels to reduce emissions.

GreenPower's impact

Since 2005, GreenPower has made a significant contribution to the Australian renewable energy industry including:

- Around \$1 billion in additional revenue to the renewable electricity sector.
- Supporting voluntary action to reduce Australia's electricity emissions by almost 20 million tonnes CO₂-e.
- Providing energy consumers with a robust, easy and credible mechanism for renewable energy purchasing.
- Launching Australia's first renewable gas certification scheme.

Engagement paper questions and responses

1. Eligible Fuels

1.1. Which LCLF should be eligible under the program and why?

GreenPower considers sustainable aviation fuel, renewable diesel, biodiesel and bioLPG should be eligible within the scope of the program, as these fuels create the greatest near-term opportunity to reduce emissions and establish the domestic renewable fuel market to enhance Australia's fuel security.

1.2. Should certain types of LCLF be prioritised over others?

1.2.a. Should LCLF suitable for particular sectors or uses be prioritised? For example, should sustainable aviation fuel be prioritised over renewable diesel?

GreenPower supports the end-use of LCLFs where emissions reduction is maximised. This can be achieved by prioritising sectors in Australia that contribute significantly to GHG emissions and have limited decarbonisation options to reduce them, or it is not economically viable to change technology. Within the Australian context these high emitting, hard-to-abate sectors currently dependent on liquid fuels include heavy road transport, mining, agriculture, aviation, rail. These sectors are projected to produce 64 Mt CO₂e in 2025 from the combustion of fuels which represents 15% of Australia's annual emissions¹.

1.2.b. Should LCLF for certain sectors or uses be de-prioritised due to other viable decarbonisation pathways?

GreenPower supports de-prioritising fuel use and sectors where viable decarbonisation pathways are more cost effective or established. For example, light passenger vehicles in the transport sector can more easily be electrified, therefore these should be a lower priority for LCLF policy support.

2. Type of Production Support

2.2. To deliver the policy intent of the Program while maximising the value for taxpayers, do you agree that projects with the lowest cost should be prioritised under the Program, with the cost being measured either as per unit of LCLF produced or as per unit of carbon emissions abated?

¹ [DCCEEW 2024 'Australia's Emissions Projections 2024'](#)

GreenPower's mission is to help energy users access government-accredited, Australian-made renewable fuels to reduce emissions and supports the Cleaner Fuels Program maximising carbon emissions abatement.

2.3. *Should the production credit be linked to the quantum of LCLF produced, or the carbon emissions saving potential of the fuel?*

GreenPower facilitates carbon emission reduction through its certification schemes and supports near-term opportunities that can contribute towards reducing Australia's emissions. For LCLFs, this would align with crediting projects based on their carbon emissions saving potential. This would encourage the production of lower emission fuel.

2.4. *What are your views on the cost to deploy LCLF domestically compared to internationally? Is there a local premium for domestic production?*

GreenPower supports the development of Australian-made renewable fuels to strengthen Australia's fuel security, support local industries through the circular economy and to contribute towards Australia's decarbonisation commitments.

Whilst Australia may have higher production costs than other jurisdictions in the region, the cost gap can be reduced through policy mechanisms, such as this Program. Recognising that there is a local premium for LCLFs, this can be covered in the form of proof of sustainability certificates, such as the GreenPower LCLF Certification or the Commonwealth's PGO certification schemes that are currently under development.

2.6. *Should production be focused on domestic supply only or should export also be permitted? What impact could restriction have for projects or the market?*

GreenPower supports maximising the near-term opportunity for LCLFs to contribute towards reducing Australia's emissions and minimising export of the environmental attributes for other jurisdictions to benefit.

2.9. *Is any other support required across the supply chain to enable domestic production of LCLF?*

GreenPower believes that demonstrating value chain traceability and supporting supply chain development will improve efficiency and reduce costs for LCLF production.

Value chain traceability and certification – GreenPower supports creating trusted, traceable supply chains and certification schemes for existing feedstocks including

tallow, used cooking oils, oilseeds, and agricultural residues. Traceability is essential for market acceptance, liquidity, and scalability because it verifies the environmental benefits of bioenergy products and builds trust.

Supply chain and infrastructure development – GreenPower supports opportunities to show how efficiently bioenergy can integrate the entire supply chain, from domestic feedstock sources to LCLF conversion and final use. A robust and consistent supply chain will drive market development and prove LCLFs role in helping Australia meet its decarbonisation targets.

Leveraging agricultural residues, municipal organic waste and forestry waste -

Australia has an abundance of waste products that can be used as bioenergy feedstocks that will reduce the dependence on higher emission energy crops and help avoid the food-verses-fuel conflict. Treating these waste products as a resource will unlock significant environmental, economic, and social benefits by reducing landfill emissions, creating renewable energy, supporting circular economy principles, and generating new regional jobs in bioenergy production.

Government policy supporting retaining biofuel feedstocks domestically – domestic LCLF production costs will be reduced by taking advantage of the existing feedstock that is currently being exported. Integrating policy measures and support mechanisms to incentivise Australian feedstock suppliers to prioritise domestic supply should be a central consideration in the Cleaner Fuels Program.

2.10. *What lessons can Australia learn from other jurisdictions that have already implemented LCLF production support measures?*

GreenPower recommends taking learnings from LCLF production support measures in the US and Europe, including:

- California’s Low Carbon Fuel Standard – this standard offers significant benefits as it is technology agnostic and supports near-term abatement through existing and scalable LCLF technologies. The standard has achieved success in driving the uptake of renewable diesel, reaching 50% diesel replacement in 2023².
- EU level targets– ReFuelEU that mandates the progressive increase in SAF blended with conventional jet fuel from 2025. Whilst early in the implementation of the mandate, it has had success in providing market certainty for fuel

² [California Air Resources Board](#)

suppliers and airlines stimulating investment in building production capacity for SAF within the EU³.

3. Fuel Production

3.1. *Considering this objective, what production pathways should be focused on or prioritised?*

3.1.a. *Should priority be given to projects that use more-established production pathways (e.g. HEFA and HVO) than nascent production pathways that may present a higher level of technology risk?*

GreenPower's position on production pathways for LCLFs is technology agnostic and does not necessarily support prioritising projects that use more established production pathways. GreenPower recommends the Program assess projects on a broad range of factors, including production pathways and scalability, carbon intensity and evidence clearly how risks will be mitigated.

3.1.b. *How can nascent production pathways compete with more-established production pathways (e.g. HEFA and HVO)?*

Nascent production pathways, while emerging today, are critical for delivering the scale needed to meet future demand and for decarbonising hard-to-abate sectors that depend on liquid fuels. These pathways offer advantages such as greater long-term feedstock scalability and lower lifecycle carbon intensity compared to established options like HEFA and HVO.

To compete effectively in the mid- to long term, technologies such as e-fuels, alcohol-to-jet (ATJ), and gasification Fischer-Tropsch will require targeted support, including investment in R&D, development of robust feedstock supply chains, and technology-agnostic capital expenditure incentives on the supply side.

3.1.c. *What minimum stage of project development (and evidence) should be expected by projects under the program?*

GreenPower recommends projects that have completed the feasibility stage of project development should be considered for the Program. This could be evidenced through a feasibility report undertaken with support from a recognised engineering contractor. Funding support will likely be required through various phases of project lifecycles to support them progressing through Front-End

³ [European Union Aviation Safety Agency Annual Technical Report 2025](#)

Engineering and Design (FEED), Financial Investment Decision (FID) and construction.

3.3. Should LCLF be required to meet a carbon intensity threshold (% carbon intensity reduction compared to fossil equivalent) to be eligible for the program? If yes, what would be a reasonable threshold, and how should that threshold be calculated and verified? If not, why not?

GreenPower supports the production of LCLFs with a lower carbon intensity compared to fossil equivalents to be eligible for the Program. In setting a threshold, the Program should consider alignment with international sustainability schemes.

3.3.a. If the production incentive is based on carbon emissions reduced, rather than volume of LCLF produced (see Question 2.3), is a minimum carbon intensity threshold still needed as part of the eligibility criteria?

As detailed in question 3.3, the program should consider alignment with international sustainability schemes, for example ISCC CORSIA, on setting a minimum carbon intensity threshold and ensuring low carbon fuels are produced on a lifecycle basis.

3.3.b. Should Indirect Land Use Change be included in the method for determining carbon intensity, for the purpose of the Program?

The Greenhouse Gas (GHG) Protocol is currently developing guidance to account for Indirect Land Use Change (ILUC) associated with biofuel production. When released, this guidance should be considered. In the meantime, as detailed in question 3.3 and 3.3a, the program should consider alignment with international sustainability schemes, for example ISCC CORSIA, where Indirect Land Use Change forms part of the method for determining the carbon intensity.

3.3.c. Should any feedstocks be prioritised or otherwise considered out of scope

GreenPower recommends immediate deployment should focus on waste and residue feedstock streams from municipal, agricultural and forestry sources. These streams have the lowest carbon intensity, and in many cases are already proven in mature bioenergy conversion processes for example SAF via hydrotreating tallow. GreenPower recommends deployment should consider the following approach:

- **Short term (0-5 years)** – biogenic waste and residues, oilseeds, intermediate or cover crops for example carinata.
- **Medium term (5-10 years)** – short rotation woody crops and feedstocks grown on marginal lands.
- **Long term (10+ years)** – novel feedstocks for example pongamia and engineered oil crops.

Greenpower calls for the Program to apply a consistent Australia wide approach to ban feedstocks, including energy crops and primary or secondary waste, originating on land from which old growth forest or native forest was cleared after 1 January 1990⁴. Additionally, GreenPower calls for the Program to only consider forest-based primary or secondary waste from sustainably harvested plantation forests.

3.4. Other than carbon intensity, should any other sustainability criteria be included?

GreenPower recommends the Program consider the following criteria be included:

- i) Feedstocks are sourced domestically to support the local circular economy, provide visibility/transparency on feedstock sources and mitigate the risk of imported low integrity feedstocks being used.
- ii) Projects demonstrate responsible water use.
- iii) Projects undertake an Environmental Impact Statement, as required by the relevant planning legislation.

3.5. Which international and domestic sustainability schemes should be allowed to verify sustainability claims?

GreenPower supports verified sustainability claims through trusted systems that can build market confidence and support LCLF project development. This includes government-accredited schemes in Australia, such as GreenPower's LCLF Certification scheme or the Commonwealth's PGO scheme, both under development. Internationally, sustainability schemes recognised by other governments should be allowed to verify sustainability claims. For example, ISCC, or RSB, that are widely recognised globally.

4. Other policy considerations

4.1. What are your views on the aforementioned factors affecting the merit of a proposal?

⁴ 1990 is a recognised baseline for tracking Australia's national greenhouse gas inventory and is linked to the UN Framework Convention on Climate Change that Australia submits its greenhouse accounts to. On this basis, and consistent with the RGC scheme rules, GreenPower prohibits feedstocks from land cleared of old growth forest or native forest after 1990 that would have added to Australia's greenhouse gas inventory under the land use, land-use change, and forestry sector.

GreenPower supports the Programs overall policy objectives and goals, along with the need for proposals to demonstrate merits as detailed in the paper.

4.2. Recipients under the Program will need to deliver benefits according to the Community Benefit Principles under the Future Made in Australia Act (see Appendix D). How do you consider the Community Benefit Principles in relation to LCLF projects? Are there specific Community Benefit Principles that are more or less relevant?

GreenPower supports the Program's use of the Community Benefit Principles under the Future Made in Australia Act. In addition, GreenPower recommends the Program consider a requirement for projects to meet the ecologically sustainable development principles (ESD) as described in the *Environment Protection and Biodiversity Conservation Act 1999* (Cth) and have a net environmental benefit.

4.4. In addition to production support, what other measures are considered critical to achieve final investment decisions for projects? What are their key features?

GreenPower considers trusted, traceable supply chains and certification schemes are a critical aspect to support projects achieving final investment decisions. Traceability is essential for market acceptance, liquidity, and scalability. Traceability verifies the environmental benefits of bioenergy products and provides a platform for building trust between project proponents and their financial stakeholders.

Reaching FID for projects will likely be contingent on receiving accreditation from an internationally recognised and interoperable LCLF certification. GreenPower is broadening its renewable energy certification offerings to include LCLFs. The new certification plans to assess emissions intensity across the entire production lifecycle. It will align with international certification frameworks and use a book-and-claim approach to market-based accounting to enable a high integrity yet flexible scheme to verify the sustainability attributes of LCLFs.

4.5. What are the intersecting policies you expect need to be considered to unlock a domestic LCLF production industry?

GreenPower considers several State and Federal government policies will support unlocking the domestic LCLF industry, including:

- DCCEE's National Waste Policy
- Department of Agriculture, Fisheries, and Forestry National Bioenergy Feedstock Strategy, currently under development

- NSW EPA mandate for Food Organics and Garden Organics
- NSW EPA Proposed Greenhouse Gas Mitigation Guide for NSW Coal Mines
- NSW Renewable Fuel Strategy

About the National GreenPower Accreditation Program

Established in 1997, the GreenPower Program helps energy users access government-accredited, Australian-made renewable electricity and renewable fuels to reduce emissions. The program is managed by the NSW Government on behalf of states and territories through the National GreenPower Steering Group.

The GreenPower Program aims to:

- Support the reduction of greenhouse gas emissions from energy use.
- Facilitate the installation of new renewable energy capacity across Australia beyond mandatory requirements.
- Encourage growth in consumer demand for renewable energy.
- Provide consumer choice for, and increase confidence in, credible renewable energy products.
- Increase consumer awareness of renewable energy and greenhouse issues.

The GreenPower Program has facilitated over \$1 billion of additional revenue for the renewable electricity sector since 2005.

There are around 38 GreenPower Providers currently selling GreenPower renewable electricity to customers all over Australia. In 2024, over 137,000 residential customers and over 46,000 business customers purchased over 2,000,000 MWh of GreenPower renewable electricity.

In 2023, the GreenPower Program launched the Renewable Gas Certification (RGC). This new certification, establishing Renewable Gas Guarantee of Origin (RGGO) certificates in financial markets, allows commercial and industrial fossil gas users to directly support renewable gas projects by purchasing RGGO certificates to match their network fossil gas with renewable gas.

The GreenPower Program ensures that RGGO certificates are generated from low-emission renewable gas displacing fossil gas in Australia. Jemena's NSW Malabar Biomethane Injection Plant, producing and injecting low emission biomethane into the Sydney gas network, was the first project to be accredited under the Certification in December 2023.



The GreenPower Program is now developing new certifications for Low Carbon Liquid Fuels (LCLF) and Biogenic CO₂ to expand sustainable renewable fuel alternatives supporting the national energy transition away from fossil fuels.

For more information, please visit www.greenpower.gov.au or email greenpower.admin@planning.nsw.gov.au