

RFS Scheme Participants: Preparing your gas data to meet your 2027 compliance obligations

4 August 2026

1 Overview of the RFS

The Renewable Fuel Scheme (**RFS**) was established under the [Energy Security Safeguard](#) and the NSW Hydrogen Strategy, and seeks to promote the production of renewable fuels, which will play a key part towards achieving NSW emission reduction targets and net zero by 2050.

The RFS is a certificate scheme, like the Energy Savings Scheme and Peak Demand Reduction Scheme. It is a market-based certificate scheme and creates financial incentives to support the production of renewable fuels, including green hydrogen and biomethane. For further information on the scheme, please visit [IPART's](#) and [The Department of Climate Change, Energy, the Environment and Water's](#) websites.

2 Purpose of this consultation

The RFS requires liable entities (natural gas retailers and gas users who do not buy gas through a retailer) to support the transition to renewable fuels. Liable entities (i.e. **scheme participants**) must obtain and surrender certificates to meet their share of the scheme's renewable fuel production target or pay a penalty for a certificate shortfall. This creates a demand for Renewable Fuel Certificates (**RFCs**) which incentivises renewable fuel production and supports projects to become commercially viable.

The RFS will commence on **1 January 2027**.

If you are a liable entity under the scheme, you will need to comply with scheme participant obligations in 2027 and collect and prepare your 2026 gas data (see **section 4** of this paper).

To help you understand your requirements, this paper outlines scheme participant obligations under the RFS. We are also seeking your input to understand your data processes and systems, which will inform the procedures we establish to collect and assess the information required to determine each scheme participant's individual liable use.

3 The role of IPART

The Independent Pricing and Regulatory Tribunal (**IPART**) is the Scheme Regulator of the RFS. To carry out its functions, IPART must:

- identify all scheme participants under the scheme, and
- access accurate and complete data on gas consumption to determine the extent to which scheme participants are liable under the scheme (i.e. **liable use**).

4 The role of scheme participants

Each year, scheme participants must meet a renewable fuel target. A scheme participant's individual share of the scheme target is based on how much natural gas they used in the previous year relative to the total annual natural gas use of all scheme participants. Scheme participants meet their individual target by acquiring and surrendering a number of certificates equal to their target. Scheme participants can buy certificates from Accredited Certificate Providers that produce renewable fuels, or through traders on the certificate market.



Are you a scheme participant under the RFS?

The *Electricity Supply Act 1995* (the Act) defines Scheme Participants as 'a gas retailer' or an 'end user'.

gas retailer means —

a person^a who is the holder of a retailer authorisation issued under the *National Energy Retail Law (NSW)* in relation to the sale of gas in NSW.

end user of gas means—

(a) a person who acquires natural gas for consumption purposes in NSW who is not a retail customer, or

(b) a person who produces natural gas for the purposes of consumption by the person in NSW.

^a A 'person' includes an individual, a corporation and a body corporate or politic (Schedule 4 of the *Interpretation Act 1987*)



Do you have any liable use?

A scheme participant must calculate its 'individual liable use' for a compliance period, which is the total value of the liable uses of gas for the scheme participant for the previous year. For example, the individual liable use for the 2027 compliance period is the total value of a scheme participant's gas use in 2026.

The Act defines a scheme participant's **individual liable use** —

- For **gas retailers**, the use of natural gas is a liable use if the gas is conveyed to retail customers through a relevant pipeline under a contract with the gas retailer.^b
- For **end users**, the use of natural gas is a liable use if they produce the gas themselves, or they receive the gas through a relevant pipeline or other delivery method for their own use.
- Only one scheme participant should be liable for a given quantity of gas — the one closest to the final use of the gas.



If you are a gas end user, what type of gas end use is considered liable use?

Examples of end uses of natural gas that are considered liable use include (but are not limited to) —

- Stationary combustion: burning of natural gas in stationary equipment to produce heat, electricity or mechanical energy
- Chemical feedstock: gas used as raw material in product manufacturing
- Gas used in liquefaction or compression processes to produce LNG or CNG for export.

Gas storage is not considered a liable use to the extent that gas storage providers only withdraw, store and inject gas into the network for use by someone downstream.

5 Scheme participant 2027 compliance obligations

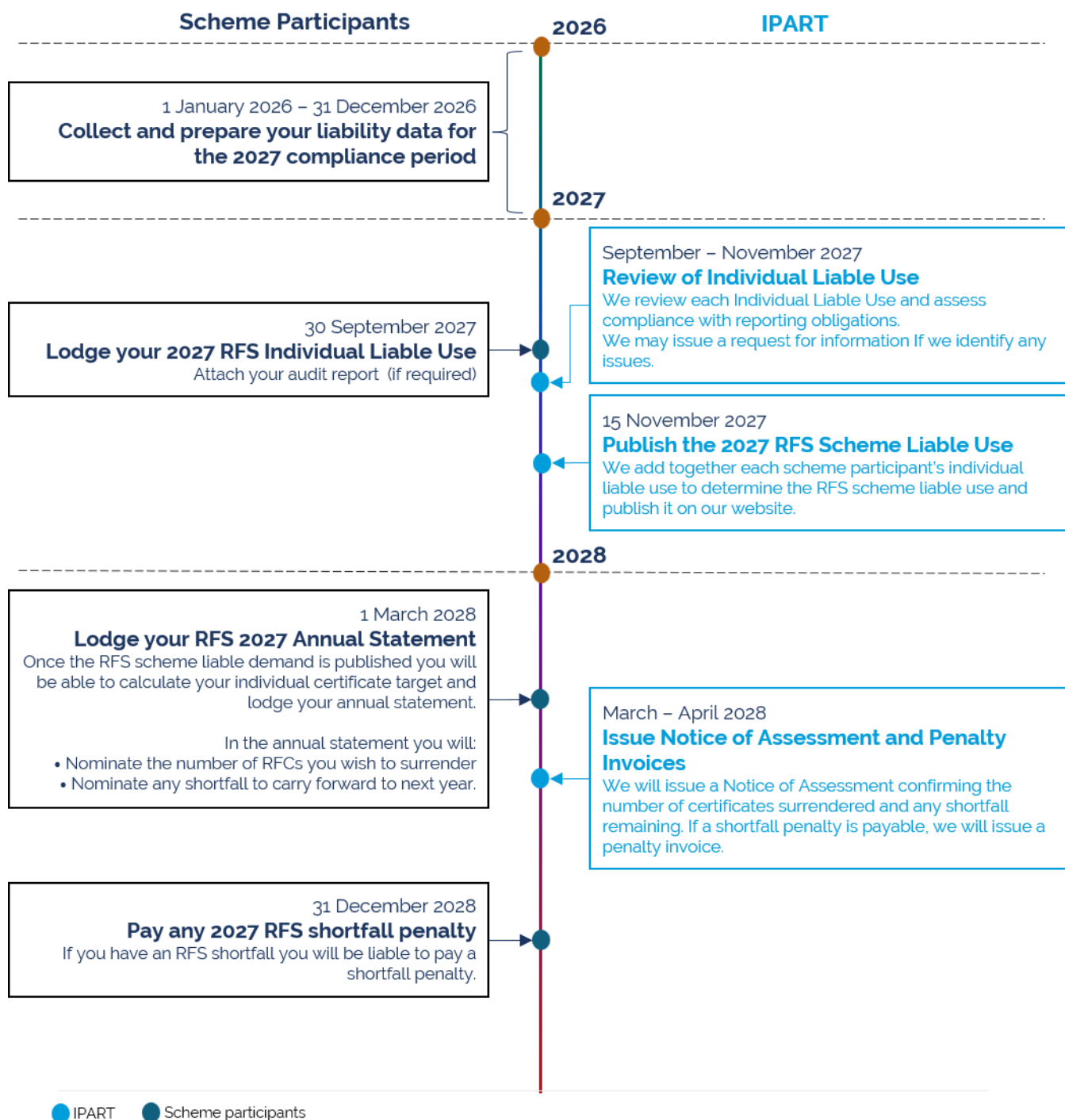
Scheme participants must comply with the following obligations for the 2027 compliance period:^c

- **2026:** Collect and prepare their liable use data (2026 calendar year)
- **2027:** Calculate and report their individual liable use to IPART
- **2028:** Meet their 2027 compliance obligations and their individual certificate target

The timeline below includes key dates scheme participants must meet in line with their obligations under the RFS.

^b relevant pipeline means—
 (a) a pipeline licensed under the [Pipelines Act 1967](#), Part 3, or
 (b) a distribution pipeline within the meaning of the [Gas Supply Act 1996](#).
^c Refer Part 3 of Schedule 4A to the [Electricity Supply Act 1995](#).

Figure 1 Key dates for scheme participants to meet 2027 compliance obligations



The key deadlines in 2027/2028 are:

- **30 September 2027:** Scheme participants must notify IPART of their individual liable use for the 2027 compliance period. Liable use for 2027 will be based on scheme participant natural gas use for the 2026 calendar year.

- **1 March 2028:** Scheme participants must lodge their annual statement for the 2027 compliance period and meet any liability. Scheme participants must meet their individual certificate target by surrendering RFCs equivalent to their target.

6 We want to hear from you

We are currently developing our processes to obtain gas consumption data from scheme participants. To assist us with this, we are seeking your input on the following:

No.	Question
1	If you are an end user of gas, what do you use natural gas for? Is there any natural gas use that you think would not be considered a liable use? Is there any instance where natural gas is delivered to your site and not used?
2	Do you report your gas consumption as part of any reporting requirements? Describe any mandatory reporting requirements you have (e.g. National Greenhouse and Energy reporting).
3	What processes/systems do you have for collecting, reviewing and reporting your data? Provide descriptions.
4	Is your gas data audited as part of any scheme or program requirements? Indicate schemes/programs you participate in.
5	Are there any barriers that may prevent you from providing complete 2026 gas consumption data by 30 September 2027?
6	We would like to continue engaging with you in the future. Please indicate who your primary contact is and provide contact details.

Please email your feedback to RenewableFuelScheme@ipart.nsw.gov.au by **31 August 2026** and provide your responses including examples where possible. We welcome your views on the issues raised above or other matters related to RFS.

Feedback received through this consultation is confidential and will not be published.