



18 March 2021

World Kinect Energy Services  
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Clean Energy Regulator  
Attn. RET and Energy Section – Michelle Crosbie & Team

Submitted via email to [CER-RETandEnergySection@cleanenergyregulator.gov.au](mailto:CER-RETandEnergySection@cleanenergyregulator.gov.au)

**Subject: Submission for the Corporate Emissions Reduction Transparency report consultation**

Dear Clean Energy Regulator,

We'd like to thank you for the opportunity to provide a submission to the Corporate Emissions Reduction Transparency report consultation. We hope that you will find our submission useful in shaping the Guidelines in a way that is in the long-term interest of consumers of electricity.

**Overview of World Kinect Energy Services**

World Kinect Energy Services ("Kinect") has been providing energy management and advisory services to commercial and non-commercial businesses globally for over 30 years. We are a trusted partner for over 6,300 clients around the world, with an estimated 200 TWh per annum under management. Kinect is well supported by our parent company World Fuel Services, a Fortune 100 company publicly listed on the New York Stock Exchange.

Our market leading services and extensive experience also extends to Australia, with trusted and mostly long-term relationships with over 150 clients across 5,000 supply points, and approximately 7.5 TWh and 3.5 PJ of energy under management. Our Australian team has combined experience of over 150 years, providing services in the areas of energy and risk management, sustainability and data analytics. This extensive local knowledge and skill, coupled with our global reach, puts Kinect in a unique position to provide our clients with the advisory services needed to optimise outcomes from its energy management strategy. Kinect holds an Australian Financial Services Licence (AFSL 50109).

**Areas of consideration in the Guidelines**

Our submission consists of six major areas for consideration that are outlined below.

**1. The proposed reporting structure**

The proposed reporting structure is suitable for demonstrating a corporation's voluntary offsetting and or emissions reduction achievements. As many of our NGER reporting customers also report to global voluntary reporting standards (for example, RE100, CDP, GRI and the underlying GHG Protocol), Kinect would strongly recommend maintaining alignment with global reporting standards, as is shown in the proposed reporting structure, to maximise the overlap in reporting datasets – if the same datasets can be utilised for multiple

voluntary emissions reports, this reduces the time taken to participate and increases engagement in the reporting standard.

Possible extensions could also allow fields for corporations to highlight other voluntary reporting standards they adhere to, or to comment on fundamental changes to the reporting scope from the previous year (e.g., acquiring/divesting new facilities). While a greater level of detail would be available in the complete NGER submission, providing a summary as part of the CERT report would provide additional context to the corporation's report.

## **2. Assumed corporation participation**

To encourage greater participation, Kinect recommends assuming participation to continue unless a corporation opts out.

## **3. Double counting principles**

On the issue of deemed surrenders, Kinect would suggest that these surrenders should not be counted, particularly as the avoidance of double counting is a key principle of the CERT, and additionally as these ACCUs have been delivered to another entity as part of an Emissions Reduction Fund contract (and hence the attribute of the carbon abatement has been transferred to that entity).

Kinect would also recommend reviewing the treatment of LGCs. While double counting does not pose the same issues as with ACCUs, given the strict auditing process in place on LGC creation and surrender (compliance or voluntary), there would be merit in investigating the introduction of a Guarantee of Origin scheme (or similar, like an I-REC scheme) to assist corporations certifying points of origin for LGCs, which is not as easily conveyable under the existing scheme structure. The provision of a better "line-of-sight" from generation to customer purchase for end-users would enable more informed engagement, greater transparency on the certificate source and better adherence to global voluntary reporting standards.

## **4. Inclusion of the Renewable Power Percentage**

In the context of Renewable Energy reporting, Kinect would suggest avoiding the inclusion of the RPP within the percentage of total electricity consumed, given the overlap of mandatory and voluntary reporting, and particularly if a Guarantee of Origin scheme, or equivalent, does not exist. While the certificates are being purchased on an end-customers behalf, the compliance surrender of these certificates by the retailer does not provide a clear, auditable certificate pathway, nor does it guarantee that certificate surrender on a corporations behalf has occurred in instances where their electricity retailer has an existing LGC shortfall. Adding a tracking certificate would better allow visibility for a reporting corporation and provide additional separation between the voluntary and compliance actions under the scheme.

However, in the case of reporting emissions, Kinect would recommend that the renewable power percentage be included in the CERT, as the residual electricity mix already accounts for the emissions related to grid-supplied electricity as part of the NGER submission. We suggest the Regulator reviews whether the Federal RPP is applied, or a state-by-state renewable power percentage is a better reflection of the differences in the proportion of the electricity supply mix coming from renewable generation between each states and territory.

## **5. Tracking Commitments**

To convey reporters' progress against their commitments and track this progress year-to-year, Kinect suggests showing the % change of total scope 1 and 2 emissions from the previous year and to the baseline year. This provides the clearest indication of progress against previous reports and the relevant reporting baseline.

## **6. Future Phases**

We understand that the initial phases of the CERT roll-out will be open only to corporations meeting the threshold requirements of the National Greenhouse and Energy Reporting scheme. Kinect would recommend relaxing these thresholds for the CERT in future phases, to provide a standard format for Australian companies to demonstrate progress towards their voluntary targets.



In line with the above recommendation to expand the CERT roll-out to non-compliance corporations, Kinect would also strongly endorse a review of the treatment of smaller, non-LGC behind-the-meter renewable generators. Key areas of consideration would be the treatment of energy produced versus grid electricity consumed (given these systems primarily act behind-the-meter and reduce grid-exposed volumes).

Please get in touch with me if you require any further information about this submission.

Sincerely Yours,

Nicholas Bell  
Sustainability Manager  
World Kinect Energy Services