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BIOENERGY AUSTRALIA SUBMISSION

Corporate Emissions Reduction Transparency Report – consultation paper

Bioenergy Australia is the national industry association, committed to accelerating Australia's bio economy. Our mission is to foster the bioenergy sector to generate jobs, secure investment, maximise the value of local resources, minimise waste and environmental impact, and develop and promote national bioenergy expertise into international markets.

Bioenergy is a cross-sector solution, which can support the state in overcoming environmental and socioeconomic challenges. Bioenergy Australia has recently developed a number of reports to highlight the key opportunities of the development of a national bioeconomy, as well as some recommendations to support the growth of the bioenergy industry. These are listed below, and we encourage the Clean Energy Regulator to review these in conjunction with our submission.

- [Bioenergy Australia submission to the Australian Bioenergy Roadmap](#)
- [Bioenergy Australia Economic Recovery Proposal](#)
- [Shovel Ready Sample of Bioenergy Projects Across Australia](#)
- [KPMG Bioenergy State of the Nation Report](#)
- [Biogas Opportunities for Australia Report](#)

The purpose of this submission from Bioenergy Australia is to support the development of a new Corporate Emissions Reduction Transparency report (CERT) as it is a useful exercise to improve transparency around actions to meet voluntary commitments.

Although there are already strict rules in place enforced by the ACCC to confirm businesses' emission reduction claims, an independent verification and the publishing of this information could help increase public confidence and be more proactive beyond the reactive powers already available to the ACCC.

• Is the proposed reporting structure suitable for demonstrating how a corporation is offsetting or reducing its scope 1 emissions and scope 2 electricity consumption?

We believe that a higher level of clarity is required. In particular, the column for 'voluntary renewable energy target' should specify if it is 'load-following' or an 'offset'. This is important to ensure that corporates are encouraged to match their electricity to its production and not just rely on offsets. This will become more relevant when more variable Renewable Energy enters the grid.

• Should corporations opt-in each year or should their participation be assumed to continue until they optout?

In order to maintain a high level of engagement, the corporations' participation should be assumed to continue until they opt out. This would also reduce the paperwork and workload associated with opting-in.

In addition, the decision to opt-out should be reported, aiming to discourage companies to do so.

- **Does CERT appropriately manage double counting?**

Yes. We agree that ACCUs issued for a scope 1 emissions reduction should be added to the Net scope 1 emissions to avoid double counting.

We suggest further clarification of the following paragraph *"Those ACCUs surrendered are then deducted to return the 'Total scope 1 emissions' to the 'before surrenders' value"* as it is unclear how this works operationally. A worked example may be beneficial to include allowing for greater understanding.

- **Should surrenders of ACCUs from NGER facilities delivered under Emissions Reduction Fund contracts be included in the net emissions calculation?**

Yes, the ACCUs surrenders under ERF contracts should be included in the net emissions calculation.

In addition, new ERF Methods should be developed to support new carbon offsets projects that are derived from bioenergy.

- **Should the RPP be included in CERT using the proposed methodology?**

Yes. Furthermore, the emissions intensity of grid power should be the remaining emissions of all producers that have not been credited with LGCs.

- **How could NGER reporters' voluntary targets and progress against these targets best be reflected in CERT to align with the NGER framework?**

The first approach suggested in the consultation paper is reasonable, promoting the transparent and useful tracking against participants voluntary commitments.

- **Are there any other enhancements to CERT that could help build participation?**

The public promotion of the collected information would encourage participation of companies willing to advertise their emission reduction achievements.

A higher participation could also be achieved if the scope is extended to a wider range of carbon offsets projects. The discussion paper mentions that CERT will be open to corporations that meet the National Greenhouse and Energy Reporting scheme data publication thresholds. Some carbon offsets projects are currently not included in the NGERs, therefore they would not be eligible for CERT neither. For example, biomethane is currently not recognised in the scheme as a source of energy with net zero carbon emissions. We believe this is an impediment to the growing biomethane market and the creation of new carbon offset methodologies and we think the Act should be amended to allow reporting entities to reduce reportable emissions if they use biomethane purchased from a multi-user natural gas network.

- **Are there other elements that should be considered in future phases of CERT?**

There may be merit in lowering the reporting threshold over time as more corporates publish their voluntary targets, provided the regulatory burden is kept manageable.

We would also like to highlight that the proposed framework allows for the use of international certificates, such as CERs, VCUs and VERs. Whilst a level of international units can provide flexibility in cost and source of emissions offsets they do not result in reductions in Australia's emissions. There may be misalignment between company emissions statements and reporting, which may be silent on the use of local vs non-local abatement/offsets, and communities' expectation. Heavy use of international offsets will also result in slower growth than would otherwise occur in local abatement including the associated local and often regional employment that arises from this.

In order to overcome this issue, Bioenergy Australia suggests the elimination, or at least a limited use, of international units to promote local emissions reduction (past schemes in Australia have considered a 5 – 10% limit on use of international units). In addition, we would encourage splitting the reporting to allow the net emissions to be added up post Australian sourced green products and pre application of the cheaper overseas units.

Thank you for the opportunity to provide this submission.



Yours sincerely
Shahana McKenzie, CEO Bioenergy Australia