



Northmore Gordon Submission

Corporate Emissions Reduction Transparency Report Consultation

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Northmore Gordon is a decarbonisation consulting firm specialising in energy efficiency, renewable energy and greenhouse gas management for the manufacturing and mining sectors.

For further information, please visit our website at <http://www.northmoregordon.com>





About Northmore Gordon

Northmore Gordon thanks the Clean Energy Regulator for the opportunity to comment on the proposed Corporate Emissions Reduction Transparency Report (CERT).

Northmore Gordon is a specialist consultancy that helps large businesses in the industrial sector and built environment decarbonise and reduce energy costs.

Specific experience related to the proposed CERT guidelines:

- We assist clients prepare their National Greenhouse and Energy Reports.
- We assist clients set carbon reduction targets and implement decarbonisation strategies.
- We provide advice on the type of offsets available to assist meet the emission targets.
- We provide measurement and verification services for companies to track emission reductions from energy efficiency projects for the purposes of creating environmental certificates.
- We are also environmental certificate creators and aggregators where we:
 - have created ACCUs under the Industrial Electricity and Fuel Efficiency Method
 - are a registered agent under the Small-Scale Renewable Energy Scheme
 - have assisted customers create LGCs under the Renewable Energy Target
 - are an Accredited Person under the Victorian Energy Upgrades Scheme
 - are Accredited Certificate Providers under the NSW Energy Saving Scheme

Response to Consultation Paper

General Comment

Northmore Gordon is supportive of increased transparency and clarity around corporates progress towards their emission reduction goals. The proposed framework brings welcomed certainty around treatment of voluntary surrender of LGCs and ACCUs as well as recognition for an organisation's progress towards achieving emission reduction targets.

Response to Questions

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

Voluntary emissions target column

The voluntary emissions target field needs additional clarity with regards to target terminology being used by organisations. For example, *net-zero* does not have a standard definition. In the example provided as Org 4, it is clear that this net-zero target is just for scope 1 and 2 emissions. However, the proposed net-zero standard under the internationally recognised Science Based Targets initiative includes some scope 3 emissions. For clarity in disclosure the target should either state the scopes covered or have standard terminology defined.

In addition the CER should consider the inclusion of intensity-based targets. The examples provided do not include intensity targets, even those these are often used in certain hard-to-decarbonise sectors. Northmore Gordon understands that the NGER framework does not currently track the required production information needed to monitor intensity targets, and such information may be commercially sensitive. The inclusion of intensity targets may encourage more participation from these sectors and for organisations whose production is increasing but who are reducing emissions on an intensity basis.

Australian eligible units as a share of total eligible units used (%) column

There are Australian eligible units that are not ACCUs. Several existing projects create VERs and VCUs in Australia from Australian projects. There is also the potential for more such projects where the ACCU methodology has not yet been developed or doesn't cover the offset type. The distinction between ACCUs and other credits created in Australia is perhaps unwarranted.

Renewable energy as a percentage of total electricity consumed calculation

There doesn't appear to be a barrier to including the renewable energy from organisations that meet the reporting threshold for behind the meter renewable generation where LGCs are not created. The on-site consumption of this energy is already reported and as such is easily included in the 'renewable energy as a percentage of total electricity consumed calculation.'

Should corporations opt-in each year or should their participation be assumed to continue until they opt out.

We support auto opt-in once an organisation has opted-in the first time. This removes an additional deadline which could prove a barrier to reporting. It also encourages an ongoing commitment to continuous improvement in greenhouse gas reductions.

Does CERT appropriately manage double counting?

The treatment of sold scope 1 ACCUs being added back into the seller's scope 1 inventory does achieve the purpose of avoiding double counting. Likewise, the ineligibility of renewable energy power purchase agreements where LGCs have not been retained avoids double counting of the renewable energy benefit.

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

Yes, Northmore Gordon believes that the CERT process should be consistent with the Safeguard Mechanism and it should be expanded to apply to all NGER participants.

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

The proposed RPP methodology appears appropriate. Any imbalance due to the RPP being an average is likely to be immaterial, with the exception of organisations that have significant changes in operations between the two halves of the year. It is feasible that organisations could apply the different RPPs for each half of the year as electricity consumption data is usually collected from monthly invoices or from interval data when preparing the NGER submission each year.

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

The tracking of commitments needs to align with the stated target for each reporting entity. Absolute reductions and continual improvement can be simply tracked year on year as proposed in the examples.

As stated previously Northmore Gordon understands that the NGER framework does not currently track the required production information required to monitor intensity targets, and such information may be commercially sensitive. The inclusion of intensity targets may encourage more participation and as such, a mechanism for intensity target reporting is recommended.

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

We recognise that treatment of behind the meter renewable energy generation that is not issued LGCs or reported in the NGER framework is due to be included at a later date.

As stated previously, we see no barrier to including behind the meter renewable generation where it is already being reported and where LGCs are not created in the first phase of CERT.

Document Control Sheet

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