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RET and Energy Section Clean Energy Regulator
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Dear RET and Energy Section team,

As a consultant that works with businesses that are increasingly adopting net zero emissions targets the CERT holds great interest. The CERT is a positive step that will allow those businesses that report through NGERs and have ambitious emission reduction targets to disclose their emissions profile accurately and fairly.

Government endorsement of the market based reporting method as described by the GHG Protocol will have substantial impact, not only for NGERs reporting corporations, but more broadly through the economy, ensuring that every organisation reducing emissions through voluntary purchase of renewable energy can be confident in the market based accounting method. Normalising market based reporting and disclosing it alongside location based reporting provides a great service to the Australian community and will support a wide variety of organisations, including NGERs reporters.

Large corporations are often required to respond to investor and other stakeholder demands for reporting emissions through programs such as CDP or in accordance with the Global Reporting Initiative (GRI). All of these programs require emissions disclosure in accordance with the GHG Protocol. Recognising this alignment and to ensure full disclosure of emissions CERT should fully align with the protocol.

Not aligning fully with the Protocol leaves the Government open to challenges of selective disclosure and confuses the audiences for this information.

Aligning with the protocol will require the addition of further columns to ensure both scope 2 location based and scope 2 market based total emissions can be compared. An important addition will be disclosure of residual emissions where scope 2 is not entirely covered by renewable energy. The following pages include responses to the questions posed in the consultation documents.

Thank you for the opportunity to comment on the introduction of the CERT, if this submission raises any questions please feel welcome to be in touch.

A handwritten signature in blue ink that reads "Precious". The signature is written in a cursive, flowing style.

Bruce Precious
Principal Consultant
19th March 2021

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

It is important that CERT reporting align with the GHG Protocol. Therefore, the report will need further information to be added for full disclosure, including:

- Total electricity consumed
- LGC's retired under the National Renewable Energy Target
- LGC's retired under State Renewable Energy Target
- Residual electricity
- Scope 2 emissions (market based)
- Total Scope 1 + 2 emissions (market based)

Presenting NGRS/CERT as an annual downloadable spreadsheet does not fully meet the needs of users of the report. This data should be turned into information by making trends and year on year improvements easily accessible. There are better ways to display this data that would allow for sorting by organisation, by year, by location. An example of good disclosure of somewhat similar information is the interactive annual report created by the NABERS team. (<https://nabers.info/annual-report/2019-2020/office-energy/>)

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

The proposal for entities to opt-in and are presumed to stay in the report until the entity specifies otherwise is supported

Does CERT appropriately manage double counting ?

It is important that the report clearly distinguish between LGCs associated with the National RET and LGCs associated with state based renewable targets. These should be accounted for in separate columns. The best example is to consider the ACT, which as a territory government, has voluntarily retired LGCs to cover their entire scope 2 emissions, which has implications for businesses with facilities in the ACT.

Double counting will only be eliminated if there is full disclosure of market based scope 2 emissions including residual emissions where corporations aren't fully subscribing to renewable electricity.

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

Yes, market based reporting recognises renewable energy delivered via mandatory programs as well as through voluntary procurement. To accompany the RPP it is also important to document and apply residual mix factors and residual scope 2 emissions. Not including the RPP could result in double counting and an undermining of the integrity of disclosure

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

CERT provides the opportunity to move from simple (archaic) spreadsheets to a more informative presentation of information that would allow interested stakeholders improved access to understand this information much more easily.

Corporations are increasingly working with their value chains to mitigate scope 3 emissions and CERT should provide a means to report this activity. This could be facilitated with a web link to corporate voluntary reporting.