



Corporate Emissions Reduction Transparency report

Coversheet for submissions

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Do you want this submission to be treated as confidential? Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	

Submission instructions

Submissions are due by 5:00pm Monday 1 November 2021. Any submissions received after this date will be considered at the discretion of the Clean Energy Regulator. It is preferred that submissions be submitted electronically to CER-CERT@cer.gov.au. Please include this coversheet with your submission.

Confidentiality and privacy

The Clean Energy Regulator will treat all submissions as public documents, unless the author requests the submission be treated as confidential. Public submissions may be published in full on the Clean Energy Regulator's website. If published, the Clean Energy Regulator will publish the name of the individual or name of the organisation responsible for your submission. The Clean Energy Regulator will deal with personal information contained in, or provided in relation to, submissions in accordance with the [Clean Energy Regulator's privacy policy](#).

Please note that the Clean Energy Regulator is subject to a number of disclosure requirements which may apply to your submission even if you do not give us permission to publish it. In particular, the Clean Energy Regulator is required to respond to requests made under the *Freedom of Information Act 1982* (Cth), and it is possible that your submissions could be requested and/or disclosed under this Act even if you do not give us permission to publish it on our website. Any such requests will be determined in accordance with the *Freedom of Information Act 1982*.

29 October 2021

RET and Energy Section Clean Energy Regulator
GPO Box 621
Canberra
ACT 2601



By email: CER-CERT@cer.gov.au

Dear Clean Energy Regulator team,

NABERS response to Corporate Emissions Reduction Transparency Report consultation

NABERS appreciates the opportunity to provide a submission to the Clean Energy Regulator's consultation on the introduction of a Corporate Emissions Reduction Transparency Report, underpinned by the National Greenhouse and Energy Reporting scheme.

NABERS fully supports the move towards emissions transparency to help organisations understand their own progress versus others, as well as increased transparency as a driver for improving public targets.

NABERS is a national rating system that measures the environmental performance of buildings and tenancies. NABERS is one of the most effective sustainability initiatives in Australia, bringing an unprecedented level of transparency to energy, water and waste performance in buildings. Buildings regularly certified by NABERS improve energy efficiency by 30–40% over 10 years.

NABERS is a reliable and easy to understand sustainability rating for the built environment. Like the efficiency star ratings that you get on your fridge or washing machine, NABERS provides a rating from one to six stars for buildings efficiency. NABERS measures actual impact, not intent.

NABERS is a world leading building performance rating due to its integrity of methods, transparency of process and accountability to industry. NABERS is administered by Australia's New South Wales Government, and is in three countries; Australia, New Zealand and the UK.

For over two years NABERS has been delivering Climate Active certification for buildings.

NABERS is currently consulting industry on the inclusion of a Renewable Energy Indicator (REI) to supplement the NABERS Energy rating. This indicator is similar but different to the Renewable Electricity Percentage described in the consultation documents. NABERS' REI discloses the use of all sources of renewable and non-renewable energy, and not just electricity. The comments from NABERS in this submission seek to clarify and align our work with that of the CERT.

NABERS therefore has a clarification and two recommendations for changes from the draft guidelines and consultation paper documents published in October 2021.

Alignment with global standards (recommendation)

The consultation document provides this information:

Leading voluntary frameworks (such as the Global Reporting Initiative, TCFD and Sustainability Accounting Standards Board) recommend emissions reduction reporting by companies but currently do not specify a reporting framework.

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GRI 305 Emissions 2016 provides the following information:

The reporting requirements for GHG emissions in this Standard are based on the requirements of the 'GHG Protocol Corporate Accounting and Reporting Standard' ('GHG Protocol Corporate Standard') and the 'GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard' ('GHG Protocol Corporate Value Chain Standard'). These two standards are part of the GHG Protocol developed by the World Resources Institute (WRI) and the World Business Council on Sustainable Development (WBCSD).



NABERS is looking to adopt the GHG Protocol, and it is in common use by GRI, TCFD, CDP and many other emissions related quantification and reporting programs. The Protocol helps to define the “market based” accounting method for scope 2 emissions it would be useful for the CERT to demonstrate alignment or explain any deviations. This action would also provide reporting organisations comfort that there is alignment with their voluntary disclosures.

Renewable energy percentage (clarification)

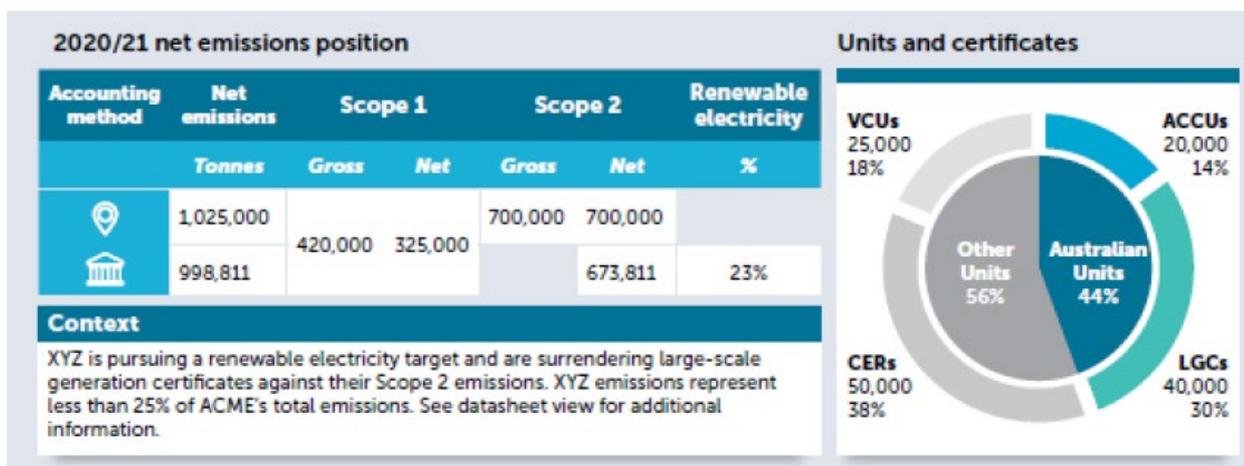
Caution is required when using the term Renewable Energy vs the term Renewable Electricity. For instance, there appears to be an inconsistency in the following example:

XYZ (ACME subsidiary)	<p>XYZ is committed to 100% consumption of renewable electricity by 2030. "XYZ is accelerating installation of solar generation on buildings where the rooftop is accessible and procuring renewable energy via green procurement options now available in the market."</p>	<p>53% towards goal of 100% renewable energy consumption by 2030</p>	 
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NABERS supports the use of the term Renewable Electricity Percentage in the CERT.

Disclosure of offsets (clarification)

LGCs measured in MWh's are included in the doughnut chart with offset certificates measured in tonnes CO2e. It's unclear to NABERS in this view if the renewable electricity % is inclusive of both RET and voluntary purchased/retired LGCs.



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The GHG Protocol provides good guidance for this type of disclosure, especially related to the disclosure of offsets. The Protocol recommends that offsets be shown outside the emissions inventory. It's a minor point but we suggest considering for clarity.

Jurisdictional Surrenders and CERT (recommendation)

Under Section 3.4 of the consultation paper (October 2021), it is proposed that “[...]LGCs surrendered by state or territory governments to meet jurisdictional renewable energy targets will not be accepted.”



We understand this is not aligned with the market-based approach and is a disadvantage to any consumer with facilities in the relevant jurisdiction. This will also be inconsistent with how other programs such as Climate Active, the Green Building Council of Australia, and NABERS are looking to implement market-based carbon accounting. Under these programs, jurisdictional targets such as the ACT's 100% renewable electricity target (where LGCs are being surrendered on behalf of the consumers) will be recognised.

As per the calculation method established under Section 5.3.11 of the draft guidelines document, “LGCs surrendered” are defined as including any “‘Third party LGCs surrendered’ [...] on behalf of the participant”. This is how the ACT jurisdictional target works, by surrendering LGCs on behalf of consumers within the territory. The ACT has voluntarily surrendered 88% (2.2 million) of all LGCs voluntarily surrendered in June Quarter of 2021 as per the [Quarterly Market Report](#).

The ACT Government has previously provided Annual Reporting to demonstrate the coverage of the renewables procurement program which, along with the use of registered LGCs, should help to alleviate concerns of double counting.

NABERS believes that having an aligned approach between all schemes will result in greater clarity and efficiency for those seeking or needing several certifications. It also ensures all programs are driving the same outcomes and that any future jurisdictional procurement of renewable electricity can be accounted for similarly.

Treatment of on-site generation and exports (recommendation)

As per Section 10.2.10 of the draft guidelines, electricity consumed from on-site renewable generators will be able to be claimed towards their renewable electricity claims. NABERS agrees with the rules established to make this claim, but recommends these same rules applies for exported electricity. This is, a participant should be able to claim exports of renewable electricity generated on site, where there are no LGCs created or LGCs created from this generation are surrendered on behalf of the participant.

Again, this approach would align with the market-based accounting methodology and the electricity accounting rules established by Climate Active ensuring that the principles of unique claims and avoidance of double counting are maintained

We would welcome the opportunity to meet with the CER team responsible for developing the CERT to discuss our feedback in more detail. You can reach me at Monique.alfris@environment.nsw.gov.au.

Yours Sincerely,

Monique Alfris

Head of Operations and Standards - NABERS