

## Submission Template

### Discussion Paper – treatment of voluntarily purchased renewable energy in the National Greenhouse and Energy Reporting System

#### Overview

This submission template should be used to provide comments on:

#### ***Discussion Paper – Treatment of voluntarily purchased renewable energy in the National Greenhouse and Energy Reporting System (NGERS)***

The aim of this paper is to seek feedback on the appropriate treatment of renewable energy purchases – notably GreenPower™ and voluntarily surrendered Renewable Energy Certificates – under NGERS. Organisations reporting under the National Greenhouse and Energy Reporting Act 2007 and other interested stakeholders are invited to comment. The Australian Government will consider possible changes to the method for calculation of scope 2 emissions for renewable energy under NGERS following stakeholder feedback on this discussion paper.

Stakeholders are asked to provide feedback on the current method and options canvassed in the discussion paper, including (but not limited to): advantages or disadvantages of the four options outlined in the discussion paper, noting any impacts and costs for NGERS reporting corporations.

#### Contact Details

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## Confidentiality

All submissions will be treated as public documents, unless the author of the submission clearly indicates the contrary by marking all or part of the submission as 'confidential'. Public submissions may be published in full on the Department of Climate Change and Energy Efficiency website, including any personal information of authors and/or other third parties contained in the submission. If any part of the submission should be treated as confidential then please provide two versions of the submission, one with the confidential information removed for publication.

A request made under the *Freedom of Information Act 1982* for access to a submission marked confidential will be determined in accordance with that Act.

Do you want this submission to be treated as confidential?  Yes  No

## Submission Instructions

Submissions should be made by **close of business 9 August 2010**. The Department reserves the right not to consider late submissions.

Where possible, submissions should be lodged electronically, preferably in Microsoft Word or other text based formats, via the email address - [reporting@climatechange.gov.au](mailto:reporting@climatechange.gov.au)

If emailing a submission, please include "NGERS treatment of renewable energy – feedback" in the subject heading.

Submissions may alternatively be sent to the postal address below to arrive by the due date.

Renewable Energy and NGER Reporting Policy Team  
Department of Climate Change and Energy Efficiency  
GPO Box 854  
CANBERRA ACT 2601

## Stakeholder feedback on option 1: 'no change' – continue to calculate scope 2 emissions for electricity based on existing state-based emissions factors.

The CEC does not agree with Option 1- no change. Given that this option does not recognise the voluntary purchases of renewable energy such as Green Power or voluntary surrender of RECs, the CEC recommends an alternative approach be utilised. An alternative option that does recognise the actions taken by individual corporations to reduce their carbon pollution by voluntarily purchasing renewable energy is required in order to reward these corporations that have acted and not allow free riding by other corporations that have not acted.

**Stakeholder feedback on option 2: reporting through the Online System for Comprehensive Activity Reporting (OSCAR) the amount of GreenPower™ purchased.**

The CEC believes Option 2 is an improvement on Option 1 but still does not go far enough to adequately recognise the efforts of individual corporations which have increased their uptake of renewable energy. While Option 2 allows for corporations to report the amount of GreenPower purchased, it still allows free riding by other corporations which have not acted as the average state based emission factor has not been adjusted for the calculations.

**Stakeholder feedback on option 3: ‘hybrid’ approach to adjust existing state-based emissions factors by ‘netting out’ voluntarily purchased renewable energy.**

The CEC recommends Option 3 as the best approach to recognise the voluntary purchase of renewable energy by corporations while maintaining as much consistency from previous years. The state based emissions factor needs to be adjusted to reflect the netting out of GreenPower and voluntarily retired RECs in the state the RECs were generated rather than retired. This will ensure the free rider issue is adequately addressed and the actions that corporations have taken to reduce their carbon pollution through increased uptake of renewable energy are properly recognised.

This approach must support high quality renewable energy and greenhouse accounting must take into consideration the fact that not every REC represents the same amount of greenhouse gas emission savings. For example, the REC multiplier under SRES means that solar PV RECs represent only a fifth of the greenhouse savings of other RECs.

The mandatory reporting of renewable energy purchases allows corporations to be accurately compared and rewards those that have acted.

A communications campaign to educate stakeholders regarding differences in comparability to previous years would be required in order to mitigate any confusion.

**Stakeholder feedback on option 4: ‘contract-based’ approach to calculating scope 2 emissions.**

The CEC agrees that Option 4 would result in unnecessary administrative complexity with additional data requirements and add to compliance costs. The lack of transparency given that the scope 2 factors would no longer be based on published sources of information is of significant concern. Lack of consistent reporting requirements, difficulties in comparing, interpreting and verifying different electricity products over time and the overall impact on accuracy of scope 2 calculations outweighs any advantages this option may present over others.

**Any additional comments on the treatment of voluntarily purchased renewable energy in NGERs.**

