

19 March 2021

Clean Energy Regulator
5 Farrell Place
Canberra ACT 2601

Hello,

Corporate Emissions Reduction Transparency Report (CERT) Feedback

Thank you for the opportunity to provide comments on the proposed draft CERT reporting mechanism. Overall, it offers a transparent way of reporting across businesses and sectors and we welcome the initiative.

We'd like to provide some feedback for consideration on the current proposed methodology regarding Scope 1 and Scope 2 reporting delineations as it deserves some careful consideration.

Eligible units in the CERT:

At this stage ACCUs, CERs, VCUs and VERs will not be eligible as an offset for scope 2 electricity consumption and voluntary surrenders of LGCs will not be eligible as an offset for scope 1 electricity generation or emissions.

At South East Water, we've set ambitious targets to reduce our emissions by around 45 percent by 2024/25 and we're identifying a pathway to NetZero by 2030. We take this commitment seriously and welcome the responsibility.

Our strategic approach to investment is a blend of self-generated renewable energy projects and commercial third party projects. We also have an Energy Master Plan that is working to unlock energy efficiency and optimisation opportunity and we're in the process of developing a carbon decision making framework, e.g. possible carbon price.

We strongly encourage the Clean Energy Regulator to develop a reporting regime that does not imply that businesses adopt certain methodology for different scopes of emissions. We're seeking the flexibility to make individual trade off decisions in light of emerging trends, rather than being locked into a particular approach, i.e. scope 1 = offsets, scope 2 = renewable energy.

In the spirit of policy neutrality and getting the best outcome for our customers, we're always looking for new opportunities monitoring market changes and new technologies. This approach helps us balance risk and cost in a way that maximises outcomes for the environment, our local community and our customers.

We believe the reporting framework should support parties to reduce greenhouse gas emissions quickly and efficiently without complicating the goal with other (co)benefits that are implied rather than clearly targeted and vary across jurisdictions.

An example of our preferred approach is provided in Attachment A for reference.

The proposed CERT is a sound initiative that will promote greater transparency in greenhouse gas reporting. We believe the final framework should support decisions that can flex to take advantage of opportunities in a market that is still emerging. The fall in cost of solar photovoltaic roof-top panels over the last decade is a good example of how the solutions can change over time.

It is important that we don't lose sight of our overall goal which is to invest in timely, reasonable and scientifically based action to reduce global emissions. Corporate action is urgent and the proposed CERT should support the overall objective of reducing greenhouse gas in the atmosphere, rather than aligning abatement methodologies to sources of emissions.

If you have any questions, please contact Katrina Hermann, Environment Manager on **03 9552 3069** or email **Katrina.hermann@sew.com.au**.

Thanks again for the opportunity to comment.

Kind regards,

A handwritten signature in black ink, appearing to read 'Simon Willis', with a long horizontal flourish extending to the right.

Simon Willis

Acting Liveable Water Solutions General Manager