



1 November 2021

Energy Policy and Partnerships Section
Clean Energy Regulator
GPO Box 621
CANBERRA ACT 2601
Via email: CER-CERT@cer.gov.au

Dear Sir/Madam,

Corporate Emissions Reduction Transparency report consultation paper

Thank you for the opportunity to provide feedback on the Clean Energy Regulator's (CER) Corporate Emissions Reduction Transparency (CERT) report consultation paper.

The Clean Energy Council (CEC) is the peak body for the clean energy industry in Australia. We represent and work with around 900 of the leading businesses operating in renewable energy, energy storage and renewable hydrogen. We are committed to accelerating Australia's clean energy transformation.

The CEC is very supportive of the broader CERT scheme proposed in the consultation paper and considers it is a positive step in allowing companies to be able to credibly report on their decarbonisation progress and demonstrate their action and progress to their stakeholders and the community. We are also supportive of the pilot period in order to test and refine the scheme.

Our main concern with the proposed scheme, however, is that it does not facilitate the use of voluntarily surrendered LGCs to offset Scope 1 emissions. The CERT report provides an opportunity for the CER to establish a methodology for linking electricity sector emissions with other sectors, consistent with the King Report's recommendations (which were supported by the Australian Government). We also note that the Government's recent Long-Term Emissions Reduction Plan describes LGCs as "carbon or carbon-related units", and that electricity sector emissions abatement is key to achieving Australia's net-zero by 2050 commitment.

The CEC considers LGCs to provide effective and transparent emissions reduction that can assist businesses achieve their targets at least-cost, which ultimately benefits consumers. We suggest that an appropriate "exchange rate" needs to be determined (e.g., the average emissions intensity of the grid or of the residual mix factor determined by the CER), and it would increase transparency for this to be agreed with the CER.

We further submit that the proposed scheme should also allow for companies to reduce their Scope 1 emissions from natural gas by sourcing renewable gas. Renewable gas is a fast-growing industry, and it is logical that it should count towards a company's emissions reduction reporting. Including renewable gas as part of the CERT scheme to reduce Scope 1 emissions

would also increase demand for renewable gas, which accords with the Australian Government's National Hydrogen Strategy.

Additionally, the CEC notes that the scheme is only eligible to companies that meet NGER publication thresholds. In our submission to the CER dated 2 April 2021, we recommended the scheme be expanded to any Australian business that would like to participate. The CEC maintains this recommendation and queries why the scheme should be restricted to NGER companies. We suggest that the scheme could be expanded to any Australian business at a later date, once the scheme is more established.

In closing, the CEC would like to acknowledge the efforts and leadership of the CER in developing the CERT report, which will play a critical role in supporting increasing voluntary action by Australian businesses. We look forward to staying in touch with the CER as it implements the pilot scheme.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Anna Freeman', written in a cursive style.

Anna Freeman
Policy Director – Energy Generation