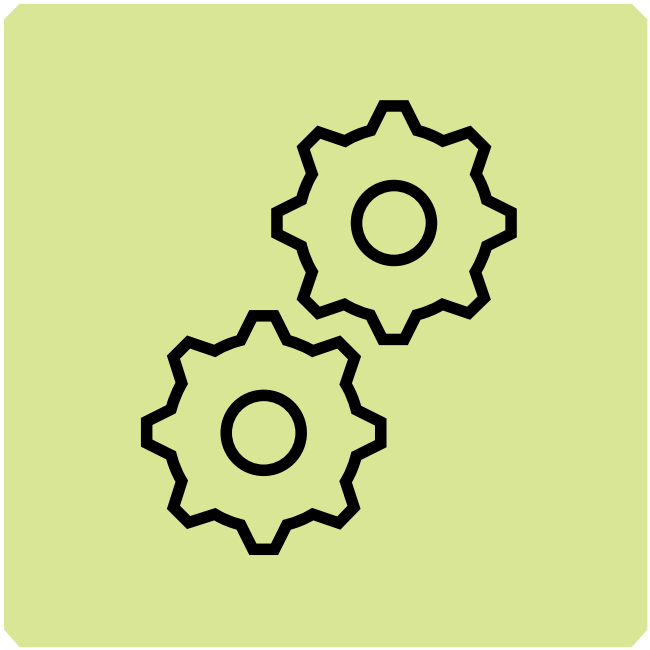
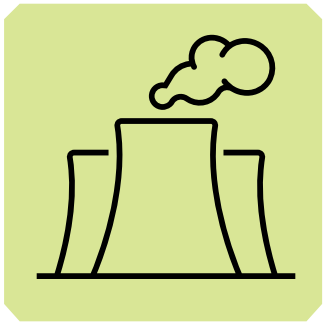
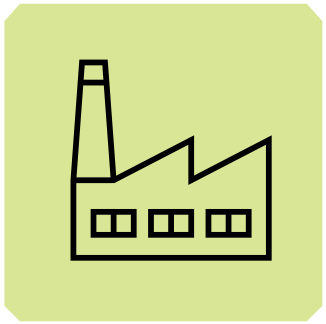
Australian Government
Clean Energy Regulator

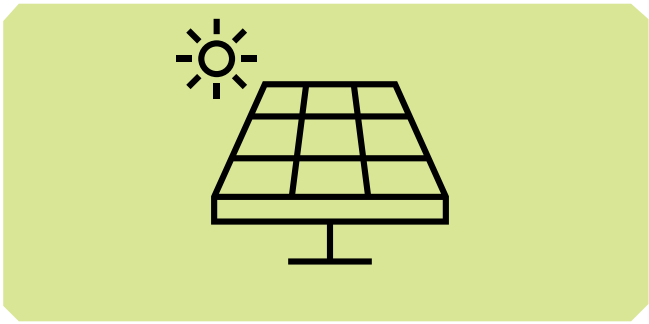


Voluntary market-based scope 2 emissions guideline

July 2026

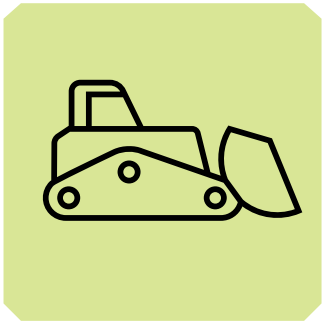












CLEAN ENERGY REGULATOR

Contents

Definitions and abbreviations **4**

Disclaimer **5**

2025–26 updates **6**

1. Introduction **7**

1.1 Focus of this guideline 7

1.2 Methods used to estimate scope 2 emissions in the NGER Scheme 7

Mandatory location-based scope 2 emissions reporting 7

Voluntary market-based scope 2 emissions 8

2. Principles for market-based scope 2 emissions reporting **8**

2.1 Use the NGER method 8

2.2 Apply the method to all facilities in your controlling corporation's group 8

2.3 Reporting threshold 9

2.4 Keep evidence to support your claims 9

3. Publication and interpretation of market-based scope 2 corporate totals **10**

3.1 Publication of market-based scope 2 corporate totals 10

3.2 Don't compare location-based and market-based corporate totals 10

4. Estimating market-based scope 2 emissions in NGER **10**

5. Reporting requirements for market-based scope 2 emissions **12**

5.1 What you must report (matters to be identified) 12

5.2 Purchased or acquired electricity (Q) 12

5.2.1 Evidence to keep 13

5.3 Voluntarily surrendered Renewable Energy Certificates (REC_{surr}) 13

5.4 Eligible LGCs allocated to a facility (REC_{surr_LGC}) 13

5.4.1 Eligibility requirements 14

5.4.2 Allocating LGCs to a facility 14

5.4.3 Supporting evidence to provide 14

5.4.4 Evidence to keep 15

5.5 Eligible REGO certificates allocated to a facility (REC_{surr_REGO}) 15

5.5.1 Eligibility requirements 16

5.5.2 Allocating REGO certificates to a facility 16

5.5.3 Evidence to keep 16

5.6 Purchases of GreenPower electricity (RECsurr_GreenPower) 17

5.6.1 Eligibility requirements 17

5.6.2 Evidence to keep 17

5.7 Renewable electricity generated on-site 18

5.7.1 RECs created for electricity produced and consumed on-site (REC_{onsite}) 18
5.7.2 Supporting evidence to provide 18
5.7.3 Evidence to keep 18
5.8 Electricity exempt from the RET liability (Q_{exempt}) 20
5.8.1 Exemption certificates for EITE sites 20
5.8.2 Other exemptions from the RET liability 21
5.8.3 Evidence to keep for Q_{exempt} 21
6. Reporting market-based scope 2 emissions in EERS 22
7. More information 24
Appendix A - Understanding the market-based formula for scope 2 emissions 25
Appendix B – Worked examples for the market-based Scope 2 emissions formula 25
Example 1a – Single facility with purchases of renewable energy 25
Example 1b – Single facility with no purchases of renewable energy 26
Example 2– reporting for 2 facilities 27
Appendix C - How many RECs are required for zero market-based scope 2 emissions? 29
Example 3 30

Definitions and abbreviations

Term	Meaning
Facility	Has the meaning given by section 9 of the NGER Act. For more information on defining a facility under the NGER Scheme, see What is a Facility[1].
GO Act	*Future Made in Australia (Guarantee of Origin) Act 2024*
kWh	Kilowatt hours
LGC	Large-scale generation certificate
Location-based scope 2 emissions	Scope 2 emissions that are estimated using a location-based approach
Market-based scope 2 emissions	Scope 2 emissions that are estimated using a market-based approach
NGER	National Greenhouse and Energy Reporting
NGER Act	*National Greenhouse and Energy Reporting Act 2007*
NGER Legislation	The NGER Act, the NGER Regulations and the NGER Measurement Determination
NGER Measurement Determination	National Greenhouse and Energy Reporting (Measurement) Determination 2008
NGER Regulations	National Greenhouse and Energy Reporting Regulations 2008
MWh	Megawatt hours
REGO certificate	Renewable Electricity Guarantee of Origin (REGO) certificate. Read more about REGO certificates[2] and the REGO[3]
t CO_2-e	Tonnes of carbon dioxide equivalence

Terms in NGER legislation may have specific meanings within the law. These key words and phrases are normally identified under a heading such as Definitions, Interpretation or Dictionary or in other parts of the document.

For more information on interpreting legislation see Federal Register of Legislation - Understanding Legislation[4].

[1] https://cer.gov.au/schemes/national-greenhouse-and-energy-reporting-scheme/assess-your-obligations#what-is-an-nger-facility
[2] https://cer.gov.au/schemes/guarantee-origin-scheme/renewable-electricity-guarantee-origin/renewable-electricity-guarantee-origin-certificates
[3] https://cer.gov.au/schemes/guarantee-origin-scheme/renewable-electricity-guarantee-origin
[4] https://www.legislation.gov.au/help-and-resources/understanding-legislation/reading-legislation

Disclaimer

The Clean Energy Regulator (CER) developed this guideline to assist entities to comply with their reporting obligations under the *National Greenhouse and Energy Reporting Act 2007*[5] (NGER Act) and associated legislation.

This guideline only applies to the 2025–26 NGER reporting year and should be read in conjunction with the NGER Act[6], National Greenhouse and Energy Regulations 2008[7] (NGER Regulations), and National Greenhouse and Energy Reporting (Measurement) Determination 2008[8] (NGER Measurement Determination), as in force for this reporting period. These laws and their interpretation are subject to change, which may affect the accuracy of the information contained in the guideline.

The guidance provided in this document is not exhaustive, nor does it consider all circumstances applicable to all entities. This guidance is not intended to comprehensively deal with its subject area, and it is not a substitute for independent legal advice. Although entities are not bound to follow the guidance provided in this document, they must ensure they meet their obligations under the National Greenhouse and Energy Reporting (NGER) Scheme[9] at all times. The CER encourages all users of this guidance to seek independent legal advice before taking any action or decision based on this guidance.

The CER and the Australian Government will not be liable for any loss or damage from any cause (including negligence) whether arising directly, incidentally, or as consequential loss, out of or in connection with, any use of this guideline or reliance on it, for any purpose.

If an entity chooses to meet their obligations under the NGER Scheme in a manner that is inconsistent with the guidance provided in this document, the CER, or an independent auditor, may require the entity to demonstrate that they are compliant with requirements of the NGER Act, NGER Regulations, and/or the NGER Measurement Determination. Entities are responsible for determining their obligations under the law and for applying the law to their individual circumstances.

[5] https://www.legislation.gov.au/C2007A00175/latest/versions
[6] https://www.legislation.gov.au/C2007A00175/latest/versions
[7] https://www.legislation.gov.au/F2008L02230/latest/versions
[8] https://www.legislation.gov.au/F2008L02309/latest/versions
[9] https://cer.gov.au/schemes/national-greenhouse-and-energy-reporting-scheme

2025–26 updates

This guideline has been updated to reflect the following changes to the market-based scope 2 emissions method for the 2025–26 reporting year.

- Report for all facilities
  - If you choose to use the market-based method, you must report a market-based scope 2 emissions activity for all NGER facilities within your controlling corporation and its group members. For more information, including exceptions, read the updated chapter 2.2.
- Extended LGC surrender deadline
  - The deadline for voluntary surrender of large-scale generation certificates (LGCs) has been extended to any time prior to submission of the NGER report. Previously, LGCs had to be surrendered by 30 June. For more information, read the updated chapter 5.4.
- REGO certificates may be used
  - Renewable Electricity Guarantee of Origin (REGO) certificates may now be allocated to NGER facilities when using the market-based method. For more information on REGO certificate eligibility, read the new chapter 5.5**Error! Reference source not found.**.
- You must now *provide* the following information in EERS when you use the market-based method
  - The RET accreditation code of any renewable power stations that form part of the facility.
  - The surrender ID for any LGCs allocated to the facility.

Read about the changes to the NGER legislation for the 2025–26 reporting period[10].

Other changes in this guideline for the 2025–26 reporting year:

- Chapter 3: Removed the example of contextual information to be published if a controlling corporation did not report for all facilities because reporting for all facilities is now required by the legislation.
- Chapter 5.1: Added a summary of information you must report if you choose to use the market-based scope 2 emissions method.
- Chapter 5.2: Updated information about reporting purchased or acquired electricity.
- Chapter 5.4: Added new large-scale generation certificate (LGC) eligibility requirements.
- Chapter 5.7: Updated this chapter to refer to renewable energy certificates (RECs) as both LGCs and REGO certificates are relevant to the matter to be identified, REC_{onsite}.
- Chapter 0: Updated information about reporting in the Emissions and Energy Reporting System (EERS).
- Appendix A, B, C: Updated the examples to be relevant for 2025–26 reporting, including updated jurisdictional renewable power percentage (JRPP) and the renewable power percentage (RPP).
- Minor stylistic and formatting changes have also been made to this document.

[10] https://cer.gov.au/schemes/national-greenhouse-and-energy-reporting-scheme/report-emissions-and-energy/amendments

1. Introduction

1.1 Focus of this guideline

This guideline is to help NGER reporters understand the voluntary market-based method for estimating scope 2 emissions. Scope 1 and scope 2 emissions are explained on our website[11].

This guideline provides:

- an overview of the market-based and location-based scope 2 emissions accounting methods
- principles for reporting
- information on interpreting the published corporate total
- an explanation of the market-based scope 2 emissions formula
- requirements for reporting each matter to be identified (MTBI)
- an example of entering data into the Emissions and Energy Reporting System (EERS)
- examples that show how to use the market-based formula for scope 2 emissions.

1.2 Methods used to estimate scope 2 emissions in the NGER Scheme

Most methods for estimating emissions under the National Greenhouse and Energy Reporting (NGER) Scheme are location-based methods. This means that the emissions are tied to a time and physical location where the greenhouse gas was released into the atmosphere.

Location-based scope 2 emissions methods use an average emissions intensity for grids where the electricity consumption occurs.

Market-based scope 2 emissions methods reflect a company's emissions in the context of its purchases of renewable electricity or products.

Location-based and market-based accounting methods are distinct and complementary approaches for estimating emissions. For scope 2 emissions, they are different ways of accounting for the indirect emissions from the consumption of electricity. Together, these methods provide a more complete picture of emissions from electricity use.

Mandatory location-based scope 2 emissions reporting

You **must** report location-based scope 2 emissions if your facility consumes[12] more than 20,000 kWh of purchased or acquired electricity in the reporting year. Scope 2 emissions are estimated under the location-based formula by applying a grid-based emissions factor to the quantity of electricity purchased, acquired or lost from that grid by operation of the facility.

For more information on the requirements for reporting location-based scope 2 emissions, read chapter 6 of the Estimating emissions and energy from electricity production and consumption guideline[13].

---

[11] https://cer.gov.au/schemes/national-greenhouse-and-energy-reporting-scheme/about-emissions-and-energy-data/emissions

[12] Consumption includes line losses from an electricity distribution or transmission facility.

[13] https://cer.gov.au/document_page/estimating-emissions-and-energy-electricity-production-and-consumption-guideline

Voluntary market-based scope 2 emissions

NGER reporters have the option to report market-based scope 2 emissions in addition to reporting mandatory location-based scope 2 emissions. The market-based method allows NGER reporters to reflect their purchases of eligible renewable energy certificates, which are assigned an emissions factor of zero.

These purchases incentivise generation of renewable electricity and include:

- large-scale generation certificates (LGCs)[14]
- Renewable Electricity Guarantee of Origin certificates (REGO certificates)[15]
- GreenPower electricity from an accredited provider[16].

LGCs are created under the Large-scale Renewable Energy Target[17] (LRET) and REGO certificates are created under the REGO[18]. The differences in terminology between the LRET and REGO are described at the REGO page[19] on our website.

The market-based method for scope 2 emissions (Method B) is described in section 7.4 of the NGER Measurement Determination (NGER Determination).

2. Principles for market-based scope 2 emissions reporting

2.1 Use the NGER method

If you choose to use the market-based method, you must estimate market-based scope 2 emissions from the operation of the facility under section 7.4 of the Measurement Determination. **Do not** follow a method described in any other scheme that has a market-based scope 2 emissions method, including the discontinued Corporate Emissions Reduction Transparency (CERT) report[20]. The requirements for reporting market-based scope 2 emissions under the NGER Scheme are outlined in chapter 5 of this guideline.

2.2 Apply the method to all facilities in your controlling corporation's group

From 2025–26, if you choose to use the market-based method for any facility, **you must** report market-based scope 2 emissions for all facilities within your controlling corporation and its group members that consumed, purchased or acquired electricity (subsection 7.1(3) of the Determination). This applies regardless of whether voluntarily surrendered LGCs, retired REGO certificates or purchases of GreenPower electricity are allocated to the facility.

[14] https://cer.gov.au/schemes/renewable-energy-target/large-scale-renewable-energy-target/large-scale-generation-certificates
[15] https://cer.gov.au/schemes/guarantee-origin-scheme/renewable-electricity-guarantee-origin/renewable-electricity-guarantee-origin-certificates
[16] https://www.greenpower.gov.au/get-greenpower/find-provider
[17] https://cer.gov.au/schemes/large-scale-renewable-energy-target
[18] https://cer.gov.au/schemes/guarantee-origin-scheme/renewable-electricity-guarantee-origin
[19] https://cer.gov.au/schemes/guarantee-origin-scheme/renewable-electricity-guarantee-origin
[20] https://cer.gov.au/markets/reports-and-data/corporate-emissions-reduction-transparency-report

There are limited circumstances where a market-based scope 2 emissions activity is not required for a facility. These are uncommon and apply only where the facility:

- did not purchase or acquire electricity during the reporting period
- purchased or acquired electricity but none of the electricity was consumed by the operation of the facility, or
- purchased or acquired electricity and all of that electricity was consumed as line losses in a transmission or distribution network.

> **Section 22X reports are included in the controlling corporation's group**
>
> If a facility in a controlling corporation or its group members report a market-based scope 2 emissions activity, then all facilities that consume purchased or acquired electricity in any associated section 19 or section 22X NGER report must also report a market-based scope 2 emissions activity.

2.3 Reporting threshold

Unlike the location-based scope 2 emissions methods, there is no threshold for reporting the consumption of purchased or acquired electricity for the market-based method. This means that you may be required to report a market-based scope 2 emissions activity for a facility that is not required to report location-based scope 2 emissions.

2.4 Keep evidence to support your claims

You must keep records relating to all your NGER reporting, as outlined in section 22 of the NGER Act[21]. However, when you use the market-based method to report scope 2 emissions, there are additional requirements for the evidence you must keep.

As per subsection 7.4(4) of the Determination, you must keep evidence for voluntarily surrendered LGCs, retired REGO certificates and purchases of GreenPower electricity.

As part of our report assessment process, we may ask you to provide additional information so we can verify your claims. This information is outlined in chapter 5 of this guideline.

[21] https://www.legislation.gov.au/C2007A00175/latest/versions

3. Publication and interpretation of market-based scope 2 corporate totals

3.1 Publication of market-based scope 2 corporate totals

Each year, the CER is required to publish reported emissions and energy data in line with section 24 of the NGER Act. This includes publication of an additional market-based scope 2 emissions total,[22] where this data is voluntarily reported, for registered corporations above the publication threshold[23].

3.2 Don't compare location-based and market-based corporate totals

Care should be taken when interpreting scope 2 emissions data. The location-based and market-based methods for reporting scope 2 emissions each provide important information for understanding Australia's emissions and incentivising investment in renewable energy. The two methods are distinct and are not intended to be compared. Direct comparison between the two corporate totals can lead to data users making incorrect conclusions about the efforts made by an organisation to offset market-based scope 2 emissions.

4. Estimating market-based scope 2 emissions in NGER

When using the market-based method to estimate scope 2 emissions from purchased or acquired electricity that was consumed from the operation of a facility during the NGER reporting year, you must use the formula from section 7.4 of the Determination:

$$Y = \left((Q - Q_{exempt}) \times (1 - (RPP + JRPP)) + \left(Q_{exempt} \times (1 - JRPP)\right) - (REC_{surr} - REC_{onsite}) \times 1000\right) \times \frac{RMF}{1000}$$

Table 1: Parameters used in the market-based method for scope 2 emissions

Variable	Explanation	Units
Y	The estimated market-based scope 2 emissions.	t CO_2-e
Q	The quantity of electricity purchased or acquired by the facility during the reporting year and consumed from the operation of the facility.	kWh
Q_{exempt}	The quantity of electricity that is exempt from the Renewable Energy Target (RET) liability.	kWh

[22] https://cer.gov.au/markets/reports-and-data/nger-reporting-data-and-registers#corporate-emissions-and-energy-data

[23] https://cer.gov.au/schemes/national-greenhouse-and-energy-reporting-scheme/about-emissions-and-energy-data#what-we-publish-data-on

Variable	Explanation	Units
RECsurr	The number of **eligible** renewable energy certificates (RECs) voluntarily surrendered for the reporting year. Eligible RECs only include LGCs, REGO certificates and purchases of GreenPower electricity.	equivalent to MWh
REC_{onsite}	The number of RECs that have been or will be issued for renewable electricity produced on-site during the reporting year that was consumed from the operation of the facility. These only include LGCs and REGO certificates.	equivalent to MWh
JRPP	The jurisdictional renewable power percentage. The ACT is the only state or territory with a JRPP for the 2025–26 reporting period, which is 80.32% as published in the National Greenhouse Accounts Factors: 2025[24].	n/a
RPP	The RET renewable power percentage for the applicable period (averaged across the adjacent calendar years) as published by the Clean Energy Regulator[25]. The RPP for 2025–26 is 17.29%.	n/a
RMF	The scope 2 residual mix factor as mentioned in Part 6 of Schedule 1 of the Measurement Determination. The RMF for 2025–26 is 0.81 kg CO_2-e / kWh. This factor applies for all facilities using the market-based method, regardless of whether the facility is connected to the main grid or not. You can read more about how the Department of Climate Change, Energy, the Environment and Water (DCCEEW) calculate the RMF[26] in the National Greenhouse Accounts Factors: 2025[24].	kg CO_2-e / kWh

When reporting market-based scope 2 emissions in EERS, you will not directly enter a calculated emissions total. Instead, you will create a market-based scope 2 emissions activity, enter the matters to be identified (MTBIs), and then EERS will calculate the market-based scope 2 emissions for you. Chapter 0 has more information about entering market-based scope 2 emissions activity in EERS.

For more information on the market-based scope 2 emission formula, read:

- Appendix A for an explanation of each main part of the formula
- Appendix B for worked examples
- Appendix C for information about how many RECs you need to allocate to your facility to report zero tonnes CO_2-e.

[24] https://www.dcceew.gov.au/climate-change/publications/national-greenhouse-accounts-factors-2025
[25] https://cer.gov.au/schemes/renewable-energy-target/renewable-energy-target-liability-and-exemptions/renewable-power-percentage
[26] https://www.dcceew.gov.au/climate-change/publications/national-greenhouse-accounts-factors-2025

5. Reporting requirements for market-based scope 2 emissions

5.1 What you must report (matters to be identified)

If you choose to use the market-based scope 2 emissions method, then you must report a market-based scope 2 emissions activity for *all* facilities that consume purchased or acquired electricity. For more information, including exceptions to the rule, read chapter 2.2.

For each market-based scope 2 emissions activity, you must report a set of matters to be identified (MTBIs) as per paragraph 4.17B(2)(b) of the NGER Regulations.

The MTBIs are outlined in item 1 of Part 7 of Schedule 4 of the Determination and can be split into 2 categories:

- Inputs for the market-based scope 2 emissions formula
  - Q
  - Q_{exempt}
  - REC_{surr}
  - $REC_{onsite.}$
- Supporting evidence
  - RET accreditation codes for any power stations that form part of the facility
  - Surrender ID numbers from the REC Registry of any LGCs allocated to a facility.

The MTBIs are described in the chapters below.

5.2 Purchased or acquired electricity (Q)

The MTBI, Q, represents the total quantity of electricity that was purchased or acquired and then consumed by your facility during the NGER reporting year. This includes electricity purchased or acquired from the main electricity grid or from other sources, for example a micro-grid.

The market-based method is not applicable for estimating scope 2 emissions from line-losses in electricity transmission or electricity distribution networks.

Your quantity for 'Q' for the market-based activity will usually be identical to your quantity for 'Q' for the location-based activity for each facility. Reasons the two quantities may be different include:

- your location-based activity includes line losses in an electricity transmission or distribution network
- you did not report location-based emissions for the facility as the quantity of purchased or acquired electricity is below the threshold of 20,000 kWh mentioned in subsection 7.1(2) of the NGER Measurement Determination.

5.2.1 Evidence to keep

You must retain records that allow you to report accurately.

We expect you to keep records of any purchased or acquired electricity. This may include electricity invoices or details of how the electricity was acquired. For more information, read chapter 6.1.1 of the Estimating emissions and energy from electricity production and consumption guideline[27].

If your electricity billing period does not match the NGER reporting year, you have options for how to apportion the electricity consumption. These options are explained in the Reporting energy production and consumption guideline[28]. You should use a consistent approach for apportioning electricity consumption when using the market-based and location-based scope 2 emissions methods.

If a purchase of GreenPower electricity is shown on your electricity bill, then you should apportion the GreenPower electricity using the same method you use to apportion purchased or acquired electricity.

5.3 Voluntarily surrendered Renewable Energy Certificates (REC_{surr})

The MTBI, RECsurr, is the number of eligible renewable energy certificates (RECs) voluntarily surrendered or retired for the reporting year that you choose to allocate to your facility.

Eligible RECs only include LGCs, REGO certificates and purchased GreenPower electricity. Small-scale technology certificates (STCs) or international renewable energy certificates (I-RECs) are not eligible and must not be reported under the market-based method.

Eligibility requirements for RECs are outlined in subsection 7.4(3) of the Determination.

> **Surrender deadline for RECs**
>
> Any REC you allocate to a facility for the market-based method must have been voluntarily surrendered, retired or purchased *before* you submit your NGER report.

In EERS you will report REC_{surr} separately as:

- **REC_{surr_LGC}:** eligible LGCs that were allocated to the facility
- **REC_{surr_REGO}:** eligible REGO certificates that were allocated to the facility
- **$REC_{surr_GreenPower}$:** eligible purchases of GreenPower electricity that were allocated to the facility.

The requirements for the three REC_{surr} components are outlined in chapter 5.4, 5.6 and **Error! Reference source not found.** below.

5.4 Eligible LGCs allocated to a facility (REC_{surr_LGC})

'REC_{surr_LGC}' refers to the number of eligible LGCs that you choose to allocate to the facility.

[27] https://cer.gov.au/document_page/estimating-emissions-and-energy-electricity-production-and-consumption-guideline
[28] https://cer.gov.au/document_page/reporting-energy-production-and-consumption-guideline

5.4.1 Eligibility requirements

LGC eligibility requirements are outlined in subsection 7.4(3) of the Determination.

You may only allocate LGCs to a facility if the LGCs were voluntarily surrendered for the reporting year through the REC Registry before you submit your NGER report.

An LGC is ineligible to be used for the market-based method if it:

- was surrendered to meet a liable entity's obligations for that compliance year under the *Renewable Energy (Electricity) Act 2000*
- was not voluntarily surrendered in the REC Registry[29] before the submission of your NGER report
- was incorrectly created or cancelled
- has a generation date of more than 36 months prior to the end of the reporting year, noting:
  - » the 'generation date' means the date that the electricity was generated, not the date the LGC was created
  - » for 2025–26, you cannot use an LGC with a generation date prior to July 2023
- was surrendered for the purposes of an energy storage system under paragraph 104(6)(b) of the *Future Made in Australia (Guarantee of Origin) Act 2024* (GO Act)
- has already been allocated to a facility for any reporting period.

5.4.2 Allocating LGCs to a facility

Each LGC, or portion of an LGC, may only be claimed once. This is to avoid more than one claim being made for the same quantity of renewable electricity.

LGCs are typically surrendered in batches in the REC Registry. Each instance of surrender has a unique surrender ID.

You may choose the quantity of eligible LGCs you allocate to each facility, by:

- allocating zero LGCs to a facility
- allocating LGCs from multiple surrenders to a single facility
- allocating the LGCs from a single surrender to multiple facilities
- splitting an LGC across multiple facilities.

You are not required to allocate *all* LGCs from a single surrender ID to facilities under your operational control.

We encourage you to be consistent with how you allocate eligible LGC surrenders across other schemes that have a market-based scope 2 emissions method.

5.4.3 Supporting evidence to provide

If you allocate LGCs to a facility in a market-based scope 2 activity, you must provide the associated surrender ID for each allocated LGC as per item 1(c) of Part 7 of Schedule 4 of the Determination. For information on reporting the LGC surrender ID in EERS, read chapter 0.

[29] https://rec-registry.gov.au/rec-registry/app/home

5.4.4 Evidence to keep

You must keep the serial number of any LGCs you allocate to a facility (see paragraph 7.4(4)(a) of the Determination).

The serial number should include the following information about the **LGC generation** contained in the 'certificate number':

- registered person ID (the ID of the user that creates the LGCs, as recorded in the REC registry)
- accreditation code (of the power station)
- generation month and year (when the electricity was generated).

You should also keep the following evidence for each instance of surrender:

- volume of certificates surrendered
- evidence of surrenders made by a third party on behalf of the corporation if not clearly stated in the comments section in the REC registry
- how many LGCs you have allocated to NGER facilities under your operational control.

If somebody surrenders the LGCs on your behalf, we will need to contact you to verify this unless the person surrendering the LGCs writes a comment in the free-text field in the REC Registry that states the voluntary surrender was on behalf of your company. This statement should include your company name and ABN, in this format: ABN12345678910.

If the person that surrendered the LGCs on your behalf did not write your company information in the free text field, you will need to obtain a written statement from them that the surrender was made on your behalf. This statement should include your company name and ABN, the surrender ID, and the quantity of LGCs surrendered.

Request for additional information for REC_{surr_LGC}

If you report a non-zero quantity for REC_{surr_LGC}, we may ask you to provide evidence for the total number of LGCs you allocated to facilities in your controlling corporation group and its group members.

This evidence may include:

- the quantity of LGCs from each surrender that were allocated to a facility in your controlling corporation group and its group members for the reporting period
- evidence that any third-party surrenders were made on your behalf.

5.5 Eligible REGO certificates allocated to a facility (REC_{surr_REGO})

'REC_{surr_REGO}' refers to the number of eligible REGO certificates that you choose to allocate to the facility.

5.5.1 Eligibility requirements

REGO certificate eligibility requirements are outlined in subsection 7.4(3) of the Determination. You may only allocate REGO certificates to a facility if the REGO certificates were retired before you submit your NGER report.

A REGO certificate is ineligible to be used for the market-based method if it either:

- was not created in accordance with the GO Act or an instrument made under it
- must not be retired under section 107 or 108 of the GO Act
- was retired for the purposes of an energy storage system under paragraph 104(6)(b) of the GO Act.

5.5.2 Allocating REGO certificates to a facility

Each REGO certificate, or portion of a REGO certificate, may only be claimed once. This is to avoid more than one claim being made for the same quantity of renewable electricity.

REGO certificates are typically retired in batches. Each instance of retirement has a unique retirement ID.

You may choose the quantity of eligible REGO certificates you allocate to each facility, by:

- allocating zero REGO certificates to a facility
- allocating REGO certificates from multiple retirements to a single facility
- allocating the REGO certificates from a single retirement to multiple facilities
- splitting a REGO certificate across multiple facilities.

You are not required to allocate *all* REGO certificates from a single retirement ID to facilities under your operational control.

We encourage you to be consistent with how you allocate eligible REGO certificates across other schemes that have a market-based scope 2 emissions method.

5.5.3 Evidence to keep

You must keep the unique identification code of any REGO certificates you allocate to a facility (see paragraph 7.4(4)(c) of the Determination).

Request for additional information for REC_{surr_REGO}

If you report a non-zero quantity for REC_{surr_REGO}, we may ask you to provide evidence for the total number of REGO certificates you allocated to facilities in your controlling corporation group or its group members.

This evidence may include:

- the retirement ID
- the total quantity of REGO certificates that were voluntarily retired
- the quantity of REGO certificates from each retirement that were allocated to a facility under your operational control for the reporting period.

5.6 Purchases of GreenPower electricity (RECsurr_GreenPower)

The MTBI, $REC_{surr_GreenPower}$, is for eligible purchases of GreenPower electricity, in MWh equivalent.

5.6.1 Eligibility requirements

A purchase of GreenPower electricity is eligible if you make the purchase from an accredited GreenPower provider[30] before you submit your NGER report.

You should check that your electricity retailer is an accredited GreenPower provider before you report a purchase of GreenPower electricity.

The quantity of GreenPower is usually itemised on your electricity bill. Electricity retailers may label GreenPower purchases differently. If you are unsure if your bill lists a GreenPower purchase, contact your electricity retailer.

5.6.2 Evidence to keep

You must keep a receipt for the purchase or a statement confirming the purchase from an accredited GreenPower provider (paragraph 7.4(4)(b) of the Determination).

Request for additional information for $REC_{surr_GreenPower}$

If you report a non-zero quantity for $REC_{surr_GreenPower}$, we may ask you to provide evidence for the quantity of GreenPower electricity you reported at the controlling corporation level. The evidence may be in the form of receipts, electricity invoices or a statement from your GreenPower provider.

You may ask your GreenPower provider for a written statement confirming the total quantity of GreenPower electricity you purchased during the NGER reporting year. It will be easier for you to provide this statement as evidence if you have a lot of individual electricity invoices or receipts.

The statement from your GreenPower provider should include:

- details of your GreenPower provider, including the ABN
- name and ABN of the company that made the purchase
- quantity of GreenPower electricity purchased during the NGER reporting period (MWh is preferable)
- national metering identifiers (NMIs) that relate to the purchase.

You may submit the GreenPower statement as an attachment with your NGER report.

[30] https://www.greenpower.gov.au/get-greenpower/find-provider

5.7 Renewable electricity generated on-site

If your facility produces electricity from a renewable energy source that is then consumed on-site, you may be required to report additional information under the market-based method.

5.7.1 RECs created for electricity produced and consumed on-site (REC_{onsite})

The MTBI, REC_{onsite}, is the quantity of RECs that have, or will be, created for electricity that was both generated and consumed at your facility in the reporting year.

You must report a non-zero quantify of REC_{onsite} if you answer 'yes' to all of the following questions:

1. Did your facility generate electricity from a renewable energy source during the reporting year? For example, electricity produced from solar panels or wind turbines that form part of your facility.
2. Did your facility consume any of the electricity from question 1?
3. Have you, or will you, create LGCs or REGO certificates for the electricity from question 2? That is, the electricity you generated and consumed at your facility. Read more about creating LGCs[31] and creating REGO certificates[32].

You must report the quantity of REC_{onsite} so the benefits of the renewable electricity can only be claimed once under the market-based scope 2 emissions method. This applies regardless of what you do with any RECs created in step 3.

5.7.2 Supporting evidence to provide

If a renewable power station that forms part of your facility is accredited under the Renewable Energy Target (RET), you must provide the RET accreditation code for each power station, as listed in the REC Registry, as required by item 1(b) of schedule 7 of the Determination.

This applies even if you have not created LGCs for renewable electricity generated by the power station.

5.7.3 Evidence to keep

You should keep records that support your reported REC_{onsite} value, including:

- the accreditation code of all RET-accredited power stations under the operational control of your controlling corporation and its group members, matched to NGER facilities
- the quantity of LGCs that you *have* created for electricity generated in the reporting year that was:
  - » consumed on-site
  - » exported from your facility
- the quantity of LGCs you *will* create for electricity generated in the reporting year that will be:
  - » consumed on-site
  - » exported from your facility.

[31] https://cer.gov.au/schemes/renewable-energy-target/large-scale-renewable-energy-target/large-scale-generation-certificates/create-large-scale-generation-certificates
[32] https://cer.gov.au/schemes/guarantee-origin-scheme/renewable-electricity-guarantee-origin/renewable-electricity-guarantee-origin-certificates#create-certificates

Best practice is to have electricity meters set up to allow you to accurately measure the quantity of electricity produced on site that was also consumed on-site, and the quantity that was exported from your facility.

Request for additional information for REC_{onsite}

If you report a market-based activity, we may ask you to provide additional information to justify your reported quantity of REC_{onsite} for the facility.

This information may include the quantity of LGCs or REGO certificates that have or will be created for electricity that was generated at your facility and:

- exported from your facility
- consumed at your facility.

5.8 Electricity exempt from the RET liability (Q_{exempt})

The MTBI, Q_{exempt}, is the quantity of electricity purchased or acquired by your facility during the reporting year that is consumed by your facility and that is exempt from the Renewable Energy Target (RET) liability.

There are 2 main types of exemptions from the RET liability[33]:

- Exemption certificates for emissions-intensive trade-exposed (EITE) entities[34]
- Other exemptions for specific scenarios, listed in Table 1 on Relevant acquisitions[35].

5.8.1 Exemption certificates for EITE sites

If your facility is formed by one or more EITE sites, then you must estimate the quantity of electricity purchased or acquired by the facility during the NGER reporting year that is both consumed by your facility and exempt from the RET liability.

The facility that purchased or acquired the electricity that was exempt from the RET liability should report the MTBI, Q_{exempt}. For example, a facility conducting EITE activities that are exempt from the RET liability should be the facility to report Q_{exempt}.

The RET Scheme operates on a calendar year, and the NGER Scheme operates on a financial year. Typically, you will have an exemption certificate that covers the first 6 months of the NGER reporting period (July to December) but not the second 6 months (January to June) when you submit your NGER report.

There is no prescribed method to calculate Q_{exempt} within the NGER Legislation. For the 2025–26 NGER reporting you may use the following approach to determine the Q_{exempt}:

- For the **first half of the NGER reporting period**: Use your calendar year 2025 CER-approved electricity use formula and subtract your metering data for January to June 2025 to determine your RET exemption amount.
- For the **second half of the NGER reporting period**: Use your CER-approved electricity use formula for calendar year 2026 and your metering data for January to June 2026 to estimate your RET exemption amount.
- Add the two totals together and convert to kilowatt hours (kWh).

If you use a different methodology to estimate your Q_{exempt} value, please document the rationale for your approach and provide details of this with your NGER report submission. One way to do this is by submitting the information in a 'basis of preparation' (BoP). Read more about the BoP in the NGER technical reporting information[36].

Exemption certificates are issued in megawatt hours (MWh). You should convert MWh to kWh before entering the quantity in EERS or the market-based scope 2 emissions formula.

---

[33] https://cer.gov.au/schemes/renewable-energy-target/renewable-energy-target-liability-and-exemptions
[34] https://cer.gov.au/schemes/renewable-energy-target/renewable-energy-target-participants-and-industry/emissions-intensive-trade-exposed-entities
[35] https://cer.gov.au/schemes/renewable-energy-target/renewable-energy-target-liability-and-exemptions/relevant-acquisitions
[36] https://cer.gov.au/document_page/nger-technical-reporting-information

5.8.2 Other exemptions from the RET liability

Other exemptions from the RET liability that may be relevant for NGER reporters include power station auxiliaries and remote grids with an installed capacity less than 100 MW. For information about situations where an individual or electricity retailer is exempt from the RET liability, read Table 1 on the Relevant acquisitions[37] page on the CER website.

If some or all of your facility's electricity consumption is exempt from the RET liability, then you must report this quantity of electricity in the MTBI, Q_{exempt}, in your NGER report. The quantity for Q_{exempt} should also be reported in the MTBI, Q (electricity purchased or acquired).

If you are a liable entity under the RET Scheme and exclude, or plan to exclude, electricity in your energy acquisition statement (EAS), then you must report this quantity of electricity under the MTBI, Q_{exempt}, in your NGER report.

If you are unsure how to estimate Q_{exempt} for your Facility, contact us.

5.8.3 Evidence to keep for Q_{exempt}

The evidence that supports your reported quantity of Q_{exempt} (for both EITE exemption certificates and 'other exemptions') includes exemption certificates, notice of certifiable amounts, metering data and calculations. You may provide this information in a basis of preparation (BoP) when you submit your NGER Report. You can read more about a BoP in the NGER technical reporting information[38].

Request for additional information for Q_{exempt}

If you report a market-based scope 2 emissions activity, we may ask you to provide additional information to support your reported quantity of Q_{exempt}.

This may include calculations to support a non-zero quantity of Q_{exempt}.

[37] https://cer.gov.au/schemes/renewable-energy-target/renewable-energy-target-liability-and-exemptions/relevant-acquisitions

[38] https://cer.gov.au/document_page/nger-technical-reporting-information

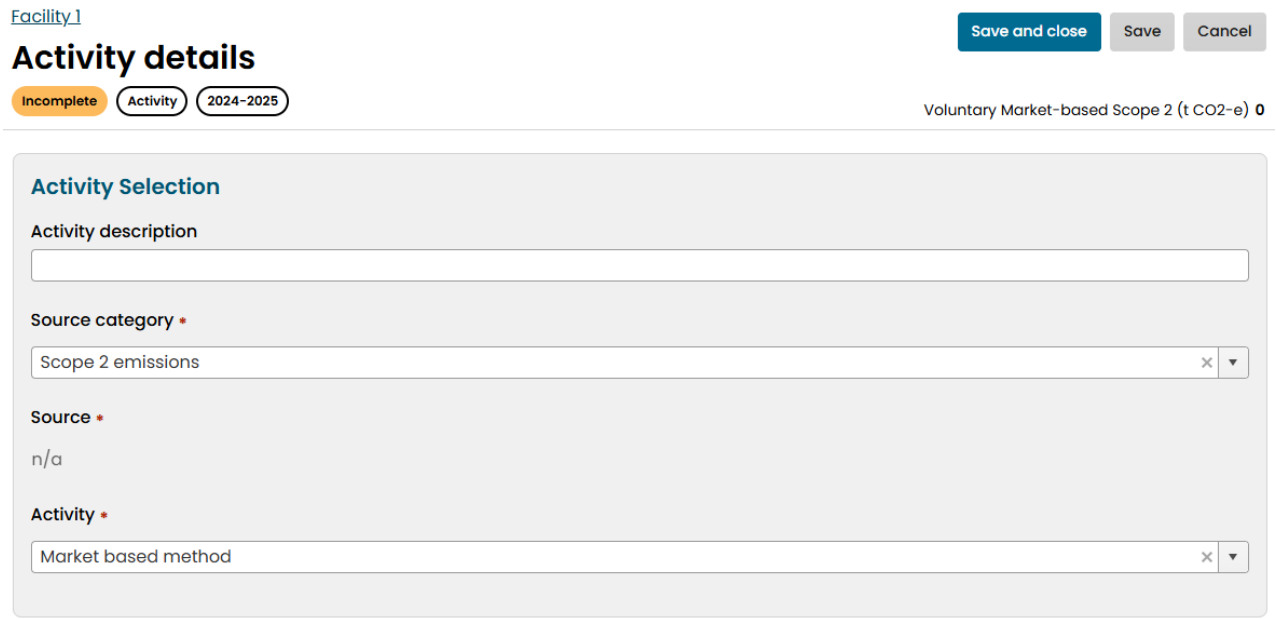
6. Reporting market-based scope 2 emissions in EERS

When reporting market-based scope 2 emissions you must create a market-based scope 2 activity for all facilities within your controlling corporation and its group members that consume purchased or acquired electricity. You must also report a separate *location-based* scope 2 emissions activity for each facility under your operational control that acquires and consumes more than 20,000 kWh of electricity.

To create a new market-based scope 2 emissions activity in EERS, select the facility in the corporate structure then click 'Add activity.' Select 'Scope 2 emissions' for the source category and 'Market based method' for the activity as shown in Figure 1.

For more information on adding a new activity, see the EERS navigation guide[39].

Figure 1: Adding a market-based scope 2 emissions activity on the 'Activity details' page in EERS



The MTBIs will load on the 'Activity details' page.

The variables used in the market-based scope 2 emissions formula are matched to the MTBI descriptions in EERS in Figure 2. Once you enter the MTBIs, EERS will calculate the market-based scope 2 emissions for the activity and display it in the calculator in the top right corner (shown in Figure 1, above). The calculator will automatically update each time you update an MTBI in the EERS interface.

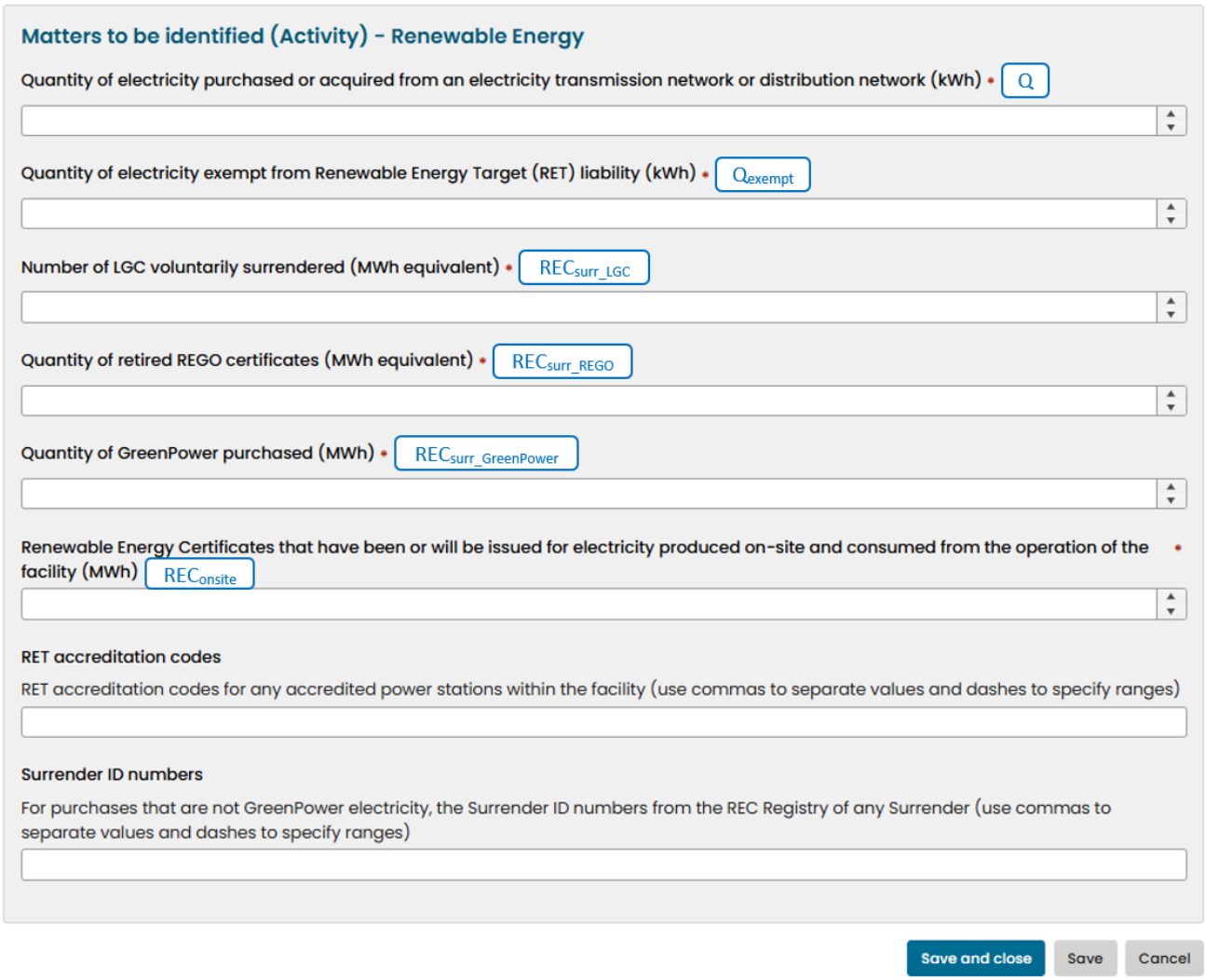
You also need to provide the following MTBIs for each activity in EERS:

- RET accreditation code for any accredited power station within the facility. Read chapter 5.7 for more information.
- Surrender ID for any LGCs that you allocate to the facility. Read chapter 5.4.3 for more information.

[39] https://cer.gov.au/document_page/emissions-and-energy-reporting-system-navigation-guide

You do not need to enter the JRPP or RPP into EERS. EERS will use the JRPP for the state or territory that the facility emissions are attributed to.

Figure 2: Matters to be identified (MTBIs) for the market-based scope 2 emissions activity



Pay careful attention to your units when entering MTBIs. Some considerations for each MTBI are shown in Table 2.

Table 2: Considerations when entering MTBIs into EERS

MTBI in EERS	Tips
Q	Enter the total quantity of electricity purchased or acquired by your facility in the NGER reporting year that was consumed by the facility, in kWh.
Q_{exempt}	Enter the total quantity of electricity that is exempt from the RET liability in kWh. Exemption certificates state the 'exemption amount' in MWh.

MTBI in EERS	Tips
REC_{surr_LGC}	Enter the number of LGCs that you choose to allocate to the facility. 1 LGC is equivalent to 1 MWh of electricity. You may enter this MTBI as a decimal.
REC_{surr_REGO}	Enter the number of REGO certificates you choose to allocate to the facility. 1 REGO certificate is equivalent to 1 MWh of electricity. You may enter this MTBI as a decimal.
$REC_{surr_GreenPower}$	Enter the quantity of purchased GreenPower electricity, equivalent to MWh. If your electricity bill or statement states the quantity of purchased electricity in kWh, convert the units to MWh.
REC_{onsite}	This may apply if your facility generates electricity from renewable energy sources. Enter the quantity of LGCs that have or will be created for electricity that was generated on-site during the reporting year and consumed by your facility, in MWh. Read more on REC_{onsite}.

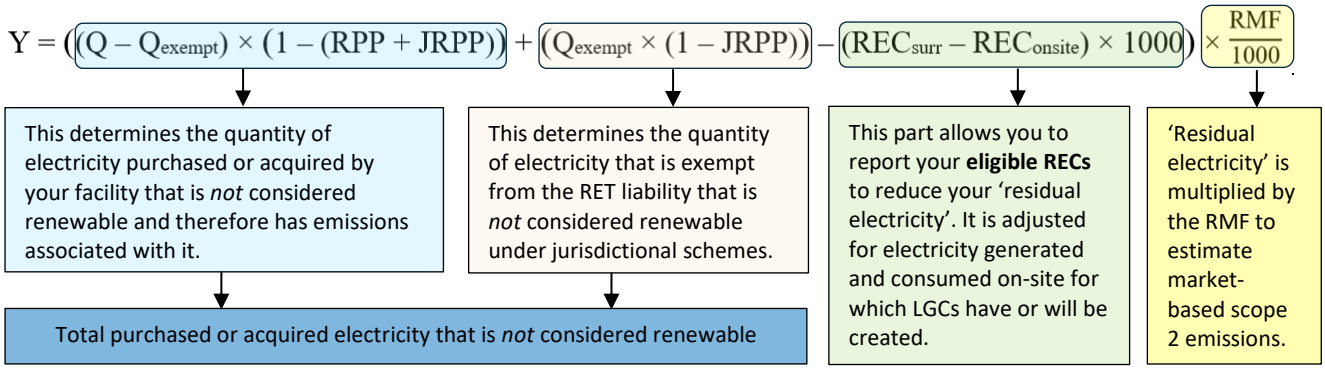
7. More information

Contact CER for more information. Email cer-nger-reporting@cer.gov.au or call 1300 553 542 within Australia.

Read Appendix A, Appendix B and Appendix C for more information on the market-based scope 2 emissions formula, including worked examples.

Appendix A - Understanding the market-based formula for scope 2 emissions

The market-based method for scope 2 emissions formula subtracts eligible renewable energy purchases from the total quantity of purchased or acquired electricity that is *not* considered renewable. An emissions factor is then applied to the 'residual electricity'. The emissions factor for the market-based formula is the residual mix factor (RMF). More detail on each term is contained in Table 1.



Appendix B – Worked examples for the market-based Scope 2 emissions formula

Read market-based scope 2 emissions formula and Appendix A for information on the formula.

Example 1a – Single facility with purchases of renewable energy

A controlling corporation is responsible for NGER reporting for a facility located in Queensland for the 2025–26 reporting year. During the NGER reporting year the facility consumed 11,000,000 kWh of electricity from the grid (Q = 11,000,000 kWh). It did not generate renewable electricity on-site (REC_{onsite} = 0 MWh) and none of the electricity it consumed from the grid was exempt from the Renewable Energy Target liability (Q_{exempt} = 0 MWh). The company purchased and voluntarily surrendered 3,000 LGCs and allocated all LGCs to Facility 1 (REC_{surr_LGC} = 3,000 MWh). The company has a receipt from an accredited GreenPower provider for a purchase of 100,000 kWh of GreenPower electricity ($REC_{surr_GreenPower}$ = 100 MWh). The company did not allocate any REGO certificates to the facility (REC_{surr_REGO} = 0 MWh).

Table 3: Summary of MTBIs and values

Reporter-specific quantities	Default quantities (2025–26)
• Q = 11,000,000 kWh • Q_{exempt} = 0 kWh • REC_{surr_LGC} = 3,000 MWh • REC_{surr_REGO} = 0 MWh • $REC_{surr_GreenPower}$ = 100 MWh • RECsurr = 3,000 + 0 + 100 = 3,100 MWh • REC_{onsite} = 0 MWh	• RPP = 17.29% = 0.1729 • JRPP = 0, because the facility is not in the ACT • RMF = 0.81 kg CO2-e / kWh from Part 6 of Schedule 1 of the NGER Measurement Determination

$$Y = \left[(Q - Q_{exempt}) \times (1 - (RPP + JRPP)) + \left(Q_{exempt} \times (1 - JRPP)\right) - (REC_{surr} - REC_{onsite}) \times 1000\right] \times \frac{RMF}{1000}$$
$$= \left[(11{,}000{,}000 - 0) \times \left(1 - (0.1729 + 0)\right) + \left(0 \times (1 - 0)\right) - (3{,}100 - 0) \times 1000\right] \times \frac{0.81}{1{,}000}$$
$$= [(11{,}000{,}000) \times (0.1729) + (0) - (3{,}100{,}000)] \times \frac{0.81}{1{,}000}$$
$$= [5{,}998{,}100] \times \frac{0.81}{1{,}000}$$
$$= 4{,}858 \text{ t } CO_2\text{-e}$$

The calculated emissions are rounded to the nearest whole number as per section 1.16 of the NGER Measurement Determination.

Example 1b – Single facility with no purchases of renewable energy

If the company with operational control of Facility 1 in Example 2a did not purchase GreenPower electricity or allocate any LGCs or REGO certificates to the facility, then RECsurr = 0 MWh and the market-based scope 2 emissions would be:

$$Y = \left[(Q - Q_{exempt}) \times (1 - (RPP + JRPP)) + \left(Q_{exempt} \times (1 - JRPP)\right) - (REC_{surr} - REC_{onsite}) \times 1000\right] \times \frac{RMF}{1000}$$
$$= \left[(11{,}000{,}000 - 0) \times \left(1 - (0.1729 + 0)\right) + \left(0 \times (1 - 0)\right) - (0 - 0) \times 1000\right] \times \frac{0.81}{1000}$$
$$= 7{,}369 \text{ t } CO_2\text{-e}$$

Notes:

- This is a valid estimate of market-based scope 2 emissions for Facility 1, even though no LGCs or REGO certificates were allocated and no purchases of GreenPower electricity were made.
- Activity totals are rounded to the nearest whole number as per section 1.16 of the NGER Measurement Determination.

Example 2– reporting for 2 facilities

A company has 2 facilities. Facility 1 is in the Australian Capital Territory. Facility 2 is in New South Wales.

During the 2025–26 NGER reporting year **Facility 1**:

- Purchased and consumed 14,000,000 kWh of electricity from the grid.
- Did not purchase GreenPower electricity from an accredited GreenPower provider.
- Generated 1,000,000 kWh (1,000 MWh) of electricity from on-site renewable electricity sources, for which they created 1,000 LGCs. The facility consumed 600,000 kWh of this electricity and exported 400,000 kWh to the grid. The facility voluntarily surrendered 600 of the 1,000 LGCs to cover the electricity it generated and consumed and sold the remaining 400 LGCs to a third party.

During the NGER reporting year, **Facility 2**:

- Purchased and consumed a total of 9,000,000 kWh of electricity from the grid, including a purchase of 4,000,000 kWh of GreenPower electricity from an accredited GreenPower provider. 5,000,000 kWh of the total purchased and consumed electricity was exempt from the Renewable Energy Target (RET) liability because the facility was an emissions-intensive trade-exposed (EITE) site.
- Did not generate any on-site renewable electricity.

During the NGER reporting year, the **company**:

- allocated 600 LGCs that it created from on-site generation to Facility 1.
- purchased and voluntarily surrendered an additional 4,000 LGCs, of which it chose to allocate:
  - 300 LGCs to Facility 1
  - 3,700 LGCs to Facility 2.
- did not retire any REGO certificates.

All LGCs were correctly created and had a generation date within 36 months before the end of the NGER reporting period. The RPP is 17.29% and the RMF is 0.81 kg CO_2-e / kWh for all facilities. The JRPP for the ACT facility is 80.32%.

	Facility 1	Facility 2	Controlling corporation	Reporter enters Facility 1 and 2 data into EERS?
State emissions attributed to	ACT	NSW	n/a	Yes – Facility details page
Q (kWh)	14,000,000	9,000,000	23,000,000	Yes
Q_{exempt} (kWh)	0	5,000,000	5,000,000	Yes
REC_{surr_LGC} (MWh)	= 600 + 300 = 900	3,700	4,600	Yes
REC_{surr_REGO} (MWh)	0	0	0	Yes
$REC_{surr_GreenPower}$ (MWh)	0	4,000	4,000	Yes
RECsurr (MWh)	900	7,700	8,600	No
REC_{onsite} (MWh)	600*	0	600*	Yes
JRPP (2025–26)	80.32%	0	n/a	No
RPP (2025–26)	17.29%	17.29%	n/a	No
Y (t CO_2-e)**	**28**	**493**	**521**	**No**

The corporate total for market-based scope 2 emissions is **521 t CO_2-e.**

Notes:

*REC_{onsite} for Facility 1 is 600 and not 1,000 because 600 represents the portion of electricity that was produced on-site and then consumed on-site for which LGCs were created. For more information on REC_{onsite}, read chapter 5.7 of this guideline.

**the facility and corporate totals are rounded to the nearest whole number as per section 1.16 of the NGER Measurement Determination.

Appendix C - How many RECs are required for zero market-based scope 2 emissions?

The corporate total for market-based scope 2 emissions is calculated by summing the facility totals.

It is possible to allocate more eligible RECs (LGCs, REGO certificates or GreenPower purchases) to a facility than is required to reach 0 t CO_2-e for market-based scope 2 emissions.

If you allocate more RECs to a facility than is required to reach 0 t CO_2-e for market-based emissions, the formula will calculate a negative value, but the activity value displayed in EERS and your NGER report will be '0' as per subsection 7.4(1)(b) of the Determination. This means you allocated more RECs to a facility than were required to reach 0 t CO_2-e.

When you enter the MTBIs into EERS, the calculated market-based scope 2 emissions are shown in the calculator in the top right corner, as seen in Figure 1.

The below example is for allocation of LGCs. The same applies to retirement of REGO certificates and purchases of GreenPower electricity, which may also be allocated to facilities.

Example 3

A facility based in Western Australia consumes 1,000,000 kWh of non-GreenPower electricity (Q = 1,000,000 kWh, $REC_{surr_GreenPower}$ = 0 MWh). It does not create LGCs for the electricity it generates and consumes on-site (REC_{onsite} = 0 MWh), and none of its purchased or acquired electricity was exempt from the RET-liability (Q_{exempt} = 0 kWh).

A single market-based scope 2 emissions activity was created for the facility.

The table below shows the difference between the total calculated by the **market-based scope 2 emissions formula** and the activity total calculated by EERS for the 2025–26 reporting year, assuming different quantities of LGCs are allocated to the facility.

Number of LGCs allocated to the facility (REC_{surr_LGC})	Market-based scope 2 emissions (t CO_2-e)		Notes on the number of LGCs allocated to the facility
	Calculated by the market-based formula	Calculated in EERS and presented in the NGER report*	
1,000	-140.0	0	More LGCs were allocated to this facility than were required to reach 0 t CO_2-e
828	-0.7	0	
827	0.1	0	The exact number of LGCs were allocated that were required to reach 0 t CO_2-e
826	0.9	1	Not enough LGCs were allocated to the facility to reach 0 t CO_2-e

*Activity totals are rounded to the nearest whole number as per section 1.16 of the NGER Measurement Determination.