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ACCU Scheme transparency changes

AGL Energy (AGL) welcomes the opportunity to make a submission in response to the Exposure Draft of the *Carbon Credits (Carbon Farming Initiative) Amendment (2024 Measures No.2) Rules 2024* (Exposure Draft).

Proudly Australian since 1837, AGL delivers around 4.3 million gas, electricity, and telecommunications services to our residential, small, and large business, and wholesale customers across Australia. We operate Australia's largest electricity generation portfolio and have the largest renewables and storage portfolio of any ASX-listed company, having invested \$4.8 billion in renewable and firming generation over the past 20 years and added more than 2,350 MW of new generation capacity to the grid since 2003.

As the global community responds to the risks of climate change, AGL recognises the large part that we must play in the transition to a low carbon economy. Our 2022 [Climate Transition Action Plan](#) (CTAP) outlines AGL's ambition for decarbonisation, including the following commitments:

- Targeting a full exit from coal-fired generation by the end of FY35 (up to a decade earlier than previously announced).
- Ambition to meet customer energy demand with around 12 GW of new firming and renewable assets by 2036.
- An initial target of 5 GW new firming and renewables by 2030.

AGL recognises the important role that the ACCU Scheme has in achieving Australia's legislated emissions reduction targets of 43 per cent below 2005 levels by 2030, and net zero by 2050. Australian carbon credit units (ACCU), together with other units that represent abatement or emissions reductions efforts¹, will remain an integral part of reaching net-zero commitments.

AGL has previously advocated for changes to the ACCU Scheme to improve market transparency, through the publication of additional information and data on methodologies, certificates and projects². We believe that publication of additional carbon project information would be beneficial in providing another level of transparency and delivery of confidence in project integrity.

We broadly support the improved transparency changes to the ACCU Scheme outlined in the Exposure Draft, and provide some suggestions for improvements relating to clarification of information requirements, as well as publication of additional information not currently included in the Exposure Draft. This submission has drawn on our experiences as a participant and advocate in a number of environmental markets across carbon, renewables, energy efficiency.

¹ For example, small-scale technology certificates (STCs), large-scale generation certificates (LGCs), energy savings certificates (ESCs), Victorian energy efficiency certificates (VEECs)

² See: [AGL submission to the ACCU Review Discussion Paper](#), September 2023



Improvements to 'Part 12 – Publication of information'

AGL is supportive of the publication of information in relation to eligible offsets projects, as outlined in the Exposure Draft. However, we suggest the following in relation to specific information requirements to improve transparency and clarity:

Provision 1(a) – in addition to the provision of a list of activities that have been, are being, or are to be, carried out during the project's crediting period, we suggest the inclusion of a description of how the management activity planned or underway is sufficient to meet carbon abatement objectives. Updates at each reporting stage should be logged to avoid updates overriding (eliminating) previous reported activities.

Provision 1(b) – in addition to the publication of a description of any identified suppression mechanisms, we recommend that this provision's wording be expanded to specify how the identified suppression mechanism had sufficient impact on carbon abatement to assume that its removal or management would meet abatement goals.

Provision 1(f) – in addition to the publication of start date for the chosen tool/modelling approach used to calculate abatement for a carbon estimation area (CEA), we suggest including a log of model pauses that may occur throughout the project's crediting period, including the length of those pauses and the reasons for why they occurred.

Provision 2 exemptions -

While we are broadly supportive of exemptions to the publication of information in subsection 1 as outlined in the Exposure Draft, it is unclear whether a blanket exemption would apply across all information provisions in subsection 1, or whether exemptions must be applied for in each provision. We suggest additional clarity on this section, and reasoning to allow suppression of each provision in subsection 1.

Additionally, we find the process for determining whether information may be suppressed is lacking in detail. It is unclear how the Regulator will determine if the application for non-publication is satisfactory, whether the exemption would apply for the duration of the project's life, and whether there is a review process for determining whether the exemption still applies. We would welcome a description of how decisions regarding exemptions will be made and applied consistently, as well as a defined decision review schedule.

Desirable additions to the Exposure Draft

While the following are not included within the Exposure Draft, we suggest that they should be to enable more visibility of project information and ability to track changes:

1. *Gateway check information on vegetation projects*: detail on the timing of historical and future gateway checks, and what, if any, changes and pauses in the CEA occurred and why.
2. *CEA information*: a log of CEA changes, which includes historical information to track changes, as well as increases/decreases in CEA size and why and when they occurred.
3. *Log of project information changes*: a simple log of project information updates to track changes over time.

Should you have any questions in relation to this submission, please contact Casey Barkla-Jones at cbarkla@agl.com.au.

Yours sincerely,

AGL Energy