

Attachment: National Generators Forum submission on NRERS Technical Guidelines

Additional response to specific questions

1. *Stakeholder views are sought on whether the listed fuel types in Attachment A provide sufficient detail for companies to report on its fuel use? Should any additional fuel types be added?*

The NGF considers that for GES reporters there should be no requirement to provide fuel use where a higher order method such as GES methodology and activity data is provided for the calculation of emissions. This is likely to yield a better estimate of CO₂ emission than any based on coal flow measurement.

As detailed in the submission, sub-bituminous coal use should also be listed separately in the Attachment A list rather than included with back coal as is currently the case.

Clarification of definitions of subcategories of electricity consumption is required to clearly articulate and differentiate between each of generated, auxiliaries use, self generation, sent out and what category should be used for electricity used by “workshops and other facilities” as per GES Guidelines (page 40) to streamline data entry for GES participants.

2. *Attachment B.*

Do companies have data systems in place to facilitate the reporting of equipment in use for the consumption of energy? Are data systems in place to estimate the consumption of energy by equipment type? Company views are sought on whether the equipment type listing provided in Attachment B adequately cover the processes within your company? Does providing a breakdown of energy consumption at this level present any difficulties? Should this data be reported under the Act?

The data systems are not in place to estimate energy consumption on the basis intimated and are only ever instituted on a temporary project basis for plant performance investigation or in pursuit of device efficiency or performance improvement.

In large integrated facilities such as power stations it is an impossible task to break down the consumption of energy on any arbitrary equipment basis. As detailed in the submission, the NGF supports a simplified approach based on the quantity of electricity generated and electricity sent-out to the grid at a recognised metering point. If necessary, the difference could be broken down further into electricity consumed by generation auxiliaries and electricity used in-house, not directly attributable to generation.

3. *Stakeholder views are sought on the different reporting options for electricity (Scope 2) emissions as outlined in the Attachment C Box. Should Scope 2 indirect emissions be estimated using default national or default state Scope 2 emission factors?*

The Regulations Policy Paper deals with this issue at some length but still fails to simplify reporting requirements. The NGF position is that whilst the liable parties

should be liable for reporting scope 2 energy quantities, the Greenhouse and Energy Data Officer should determine related emissions on a consistent and controllable basis. Such determination could be part of a feedback loop to reporters in determining their overall (voluntary reportable) greenhouse footprint.

4.0 Other Comments

4.1 WBSCD Greenhouse Gas Protocol

The Protocol already provides a reasonably clear and well accepted international reporting standard. Since a large proportion of Australian industry (energy and manufacturing) has international connections through financing, if not ownership and control, it would seem eminently sensible to wherever possible ensure consistency of the Australian regulations with the Protocol. Accordingly, it is recommended that the Guidelines be re-assessed for consistency with the protocol and wherever possible modified to conform precisely to the protocol.

At present the NGERS Regulations Scope definitions appear ambiguous compared with those provided in the Protocol and accordingly should be revised.

4.2 Data collection requirements

The data proposed for collection under the regulations, while allowed under the broad scope of the Act, far exceeds that required to underpin an AETS scheme for which only Scope 1 emissions would be required. It is also only Scope 1 emissions which contribute to a greenhouse gas inventory. While the collection of additional data may be required for other purposes, and it is most efficiently collated through the NGERS process, the actual collection of that data should be justified on their own merits to avoid the NGERS reporting tools becoming unwieldy.

4.3 Higher Order methods versus default factors etc.

Since the GES framework is considered a higher order method, and is an obligatory minimum for GES participants, the submission of data in accordance with the GES framework must be facilitated within the enhanced OSCAR lodgement tool. For instance GES participants should be able to lodge OSCAR based activity and greenhouse gas intensity data with coal consumption, etc., calculated from the GES data instead of being entered separately.

In some cases there are some differences between GES methodology and the technical guidelines that need to be addressed. For example GES makes some provision for methane emission from low rank coal, albeit almost trivial, whereas the NGERS guidelines more correctly assume this to be zero.

4.4 Appendix 3.2 Table 23 Fuel Type Definitions

This table contains numerous definitions, many of which are not currently used elsewhere in the guidelines. In addition, there is little or no guidance as to where and how these definitions are intended to be applied and by which party in the supply chain. For instance is it expected that a power generator who owns and operates a coal mine will report under 'Production Of Energy Commodities' somewhere a coal production value and an electricity energy production figure, and, under 'Consumption Of Energy' somewhere else the amount of coal burned, electricity and other energy used in mining, presumably also electricity in power generation and, separately, that used in related facilities, such as power station

workshops and office buildings. Further, there is confusion on where and how often each electricity component is entered.

4.5 CO₂ emission rate measurement

The NGF notes an apparent contradiction in the guidelines in that CO₂ emission rate measurement is not considered to give a better emission rate estimate than one based on fuel flow and carbon content. Yet Table 20 gives the higher factor rating to CO₂ measurement in Table 23.