



20 February 2008

Director
Greenhouse and Energy Reporting Taskforce
Department of Climate Change
John Gorton Building
PARKES ACT 2600

via: reporting@climatechange.gov.au

Dear Sir/Madam,

Origin Energy welcomes the opportunity to respond to the proposed *Technical Guidelines for the Estimation of Greenhouse Emissions and Energy at Facility Level (Industrial Process and Waste sectors in Australia)* for the National Greenhouse and Energy Reporting System.

The following matters are raised for the Department's consideration in relation to the proposed Guidelines and related policy framework. The submission follows the format and numbering of the *Technical Guidelines* Discussion Paper.

Please feel free to contact the undersigned if there are queries relating to this submission.

Regards

Peter Haenke
Manager Carbon Projects
Origin Energy

CHAPTER 2

Section 2.3.2 Sampling and Analysis of samples

Origin notes that the Technical Guidelines include provision to determine facility-specific emission factors, based on appropriate sampling and analysis techniques and is supportive of this approach.

“Fuel gas” used to power oil and gas exploration and production processes is derived internally from the process gas stream. The composition of this gas is determined at the time of commercialisation of a reserve and the results are used for plant design and equipment selection. Variation in composition over time is insignificant. We propose that the Technical Guidelines accommodate existing industry practice for sampling and analysis for oil and gas exploration and production activities.

CHAPTER 3

3.3.3 Activity data

International bunker fuels

The suggested approach differs to Origin’s current approach of calculating fuel used in Australian water vs international waters. Our current approach with regard to fuel consumed and the distinction between bunker fuel and international bunker fuel is to assume certain vessels are assigned to either domestic or international duties and report the fuel consumed accordingly. This method appears consistent with the Intended Usage method which is used to claim fuel tax credits back from the ATO.

The suggested approach contained in the guidelines would require a substantial increase in the recording of fuel levels, virtually at each port visited by each vessel. This seems onerous, since there may be only a small number of voyages, if any at all, undertaken by our vessels outside their traditional duties. Origin would therefore appreciate clarification if our existing approach would be adequate to satisfy the proposed reporting guidelines.

Section 3.5 (p.35) Gaseous Fuels

Origin notes that whilst this section of the *Technical Guidelines* is “written primarily in the context of ‘pipeline quality natural gas’, it may be extended to include other gaseous fuels, as appropriate”.

In the context of unprocessed gas flows, application of the present requirements in sections 3.5.1 and 3.5.2 of the Technical Guidelines may be impractical in some circumstances and Origin would welcome the opportunity to work with the Department to harmonise these with industry practices.

Table 18: Consumption of fuels and the estimation of greenhouse emissions— checklist of items to be reported

Fuel Type: the *Technical Guidelines* differ from the AGO Factors & Methods Workbook (December 2006), which they replace, with the omission of the Fuel category Industrial/marine diesel oil. Elaboration on this is sought.

Consumption of fuels for the purpose of international transport: energy density data is requested (gigajoules per tonne etc) rather than physical quantities (tonnes, thousand litres etc). The rationale for this is unclear.

Consumption of renewable energy: This requires greater explanation to guide reporters and to avoid double counting. It is unclear what is defined as renewable energy for the purposes of NGER. For example, a proportion of the electricity supplied from the National Electricity Market is generated using renewable energy (predominantly hydro and wind). This is implicitly accounted for in the state-based emission factors applied to purchased electricity. Some consumers may elect to purchase “Green Power” or have contractual arrangements to purchase the output from specific renewable energy generators. Would these purchases be classified as “consumption of renewable energy” for the purposes of NGER?

Consumption of electricity: The categories *Electricity, self-generation* and *Electricity, own use (electricity generators)* are superfluous and introduce double counting to a corporate NGER report. In both cases, the total amount of energy consumed and the total emissions are fully captured by accounting for the fuel combusted to generate the electricity, on site. Origin submits these categories should be deleted.

Table 19: Production of Energy – Checklist of items to be reported

Production of renewable energy: As for Table 18: a definition of renewable energy is required.

Production of electricity. Electricity own use (electricity generators): as noted in comments for Table 18, instances where electricity is generated for use on site (such as at a gas processing facility) should not require reporting own use of electricity.

Table 21: Fuel combustion CO2 for stationary purposes—emission factor class rankings

It is somewhat unclear how emissions uncertainty estimates are to be calculated using the percentage estimates and the “AAA” ratings provided.

We would also like to point out that the different fuel categories provided may not be suitable for fuels used to power gas processing operations. Given this, we will have to conduct our own analysis of the emissions content of these fuels, which calls into question the relevance of the proposed approach.

We feel it would be of greater value if there were a prescribed methodology for estimating GHG emissions uncertainty, rather than having to rely on the estimates in the Table and the uncertainty ranking.

CHAPTER 4

Section 4.3.9 Oil and gas production—UNFCCC Category 1.B.2—Higher-order method (i)

Origin strongly supports the use of relevant industry guidelines such as the American Petroleum Institute’s *Compendium of Greenhouse Gas Emissions Estimation Methodologies for the Oil and Gas Industry 2004*.