

15 February 2008



Working together for a shared future

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

via: reporting@climatechange.gov.au

Dear Sir/Madam

The Queensland Resources Council (QRC) welcomes the opportunity to contribute further to the Australian Government's development of a *streamlined* national purpose-designed greenhouse emissions and energy reporting system.

This submission is provided to the Department of Climate Change (the Department) in response to the National Greenhouse and Energy Reporting System – *Technical Guidelines for the Estimation of Greenhouse Emissions and Energy at the facility level: the Energy, Industrial Process and Waste sectors in Australia* Discussion Papers dated December 2007 (the proposed Guidelines). The development of the papers combined with stakeholder meetings and industry forums has been a valuable consultation process.

The proposed Guidelines seek to provide a systematic framework for supporting the estimation and reporting of greenhouse gas emissions and energy data required by the *National Greenhouse and Energy Reporting Act 2007* (NGER Act). QRC welcomes the development of a national greenhouse and energy reporting system as an important foundation to inform processes and outcomes relating to the proposed national emissions trading system.

The purpose of this submission is to broadly outline industry views in relation to the proposed Guidelines. Given the industry specific and technical nature of the proposed Guidelines, QRC considers that the comprehensive and detailed submissions from associated peak national bodies (such as the National Generators Forum) and individual member companies present appropriate responses to the range of matters which the Department should take into consideration.

This submission has been developed in consultation with QRC working groups supplemented by comments from interested individual member companies.

QRC presents the following matters for the Department's consideration in relation to the proposed Guidelines and related policy framework.

- QRC does not support the mandatory public reporting of energy and emissions where this could result in inaccurate reporting and confusion about possible double-counting of emissions. The proposed Guidelines include methodologies which could support potential inaccurate reporting and generate confusion, particularly in relation to scope 2 reporting.
 - QRC considers that scope 2 emissions should be determined on a nationally consistent basis based on the supplied electricity/energy data. If necessary, then this information should be provided to the reporting corporation.
- QRC notes that reporting by equipment type is not often aligned to the most accurate collection of primary data. Also, there is considerable potential for error and unnecessary uncertainty in such aggregated data when reported.
 - QRC considers that the value for reporting corporations and governments of continuous reporting by equipment type does not appear to provide any material benefits, however does provide additional reporting burdens.
- QRC supports a robust and simple approach to greenhouse emissions and energy reporting – the data reported should be readily understood by the reporting corporation and avoid the reporting of inferred or computed data (unless it is part of a prime dataset). Examples where the source is not known by the reporting corporation outlined in the proposed Guidelines include:
 - Natural gas – given that gas received by a facility is provided at a 'natural gas' standard, the product may consist of a mixture of sources (including coal seam methane or other gas types). Providing for reporting obligations which involve determining the composition of the gas product received by a reporting corporation appears problematic (Table 18).
 - Renewable energy – the imposition of reporting obligations where the underlying mix of energy consumed is unknown appears unnecessarily difficult and administratively burdensome.
- The proposed Guidelines state that reporting corporations should continue to prepare emission estimates which use higher order methods and specifically notes the Generator Efficiency Standards (GES) as a relevant example (page 19). However, Table 20 does not provide any indication if the GES are actually acceptable or provide a relevant National Greenhouse Accounts (NGA) emission factor rating.
- Where a higher order method is adopted by a reporting corporation and it becomes apparent the results observed are consistent (and of equivalent accuracy) with the default methodology, then the policy framework should be sufficiently flexible to enable the default methodology to be applied for future reporting purposes.
- Presentation of certain information within the proposed Guidelines could be improved by clarifying the following items:
 - It is not clear that the emission factors provided for gaseous fuels (Table 9) are supposed to be used in the relevant default methodology equation (National Greenhouse Accounts default methodology, page 24). Potentially this could lead to incorrect emissions factors being used – insertion of a note "emissions per unit of energy combusted", as provided in Tables 11 and 12 could address this matter.

- Tables 24 and 25 provides emission factors for CO₂, CH₄ and CO₂-e, but the emission factors for CH₄ and CO₂-e appear to be the same quantum – this is potentially misleading. The CO₂-e emission factor column should either be removed, or the emission factors for CH₄ should be divided by 21 (representing the global warming potential provided in Table 2) with appropriate changes to the emissions factor heading.
- There are a number of references to sourcing information from 'Department of Climate Change forthcoming'. While it is understood that this information refers to certain existing publications, for the purposes of verification QRC has been unable to validate the sourced references.
- QRC supports an independent review of all factual references, an information audit and verification process, to ensure that the risk of errors is appropriately minimised.

QRC supports the development of a national reporting framework which provides industry participants with certainty and transparency by means of the processes and criteria to be used to develop relevant reporting information. The development of the proposed Guidelines represents an important element in the policy framework which will underpin the reporting of greenhouse gas emissions and energy data required by the NGER Act.

Should you wish to discuss any of the issues raised in this submission please do not hesitate to contact Russell Silver-Thomas, Industry Policy Advisor, on (07) 3295 9560.

Yours sincerely

A handwritten signature in black ink that reads "Michael Roche". The signature is written in a cursive, flowing style.

Michael Roche
Chief Executive