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Greenhouse and Energy Reporting Taskforce
Australia Greenhouse Office
Department of the Environment and Water Resources
PO Box 787
Canberra ACT 2601

16 November 2007

Re: National Greenhouse and Energy Reporting System – Regulations Discussion Paper

Dear Sir/Madam,

AGL welcomes the opportunity to comment on *National Greenhouse and Energy Reporting System – Regulations Discussion Paper (October 2007)*.

1. Introduction

AGL Energy Ltd (AGL) is a leading energy company, with significant electricity and gas customer bases in South Australia, Victoria, New South Wales and Queensland. AGL is also a significant producer of energy with interests in upstream gas developments and renewable and low-emission power stations.

In recent years, AGL (previously The Australian Gas Light Company) has invested significant resources to further understand our greenhouse gas emissions. AGL has reported greenhouse gas emissions to the Federal Government since 1997 as part of the Greenhouse Challenge, and more recently the Greenhouse Challenge Plus program. AGL voluntarily report its greenhouse emissions in its annual Sustainability Report and AGL has been a participant in the Carbon Disclosure Project 4 and 5.

2. AGL Response to Questions for Feedback

No.	Question	AGL Comments
1	Do participants in joint ventures and partnerships support the proposed process for nomination, and revocation of nominations of entities responsible for joint ventures and partnerships?	AGL support the proposed approach of nominating a responsible entity to report emissions to the Greenhouse and Energy Data Officer (GEDO) for joint ventures and partnerships. The process set out in the discussions paper for nomination and revocation of nominations of entities responsible for joint ventures and partnerships is acceptable.
2	Are there other items that should be included in the process for nomination and revocation of nominations?	-

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3	Has the nomination process under the Energy Efficiency Opportunities Regulations 2006 been effective without providing undue administrative burden?	-
4	Does the proposed level of industry sector classifications provide an appropriate balance between the need for detail and administrative burden?	AGL agree that for the electricity industry ANZIC classification codes at the Group (3 digit) level is appropriate for the reporting of aggregated emissions.
5	Is the aggregation of the emissions of several small facilities for reporting purposes practical?	AGL agrees that aggregating the emissions for facilities with less than 25 kt CO ₂ e is appropriate.
6	Is the proposed definition of facilities clear? If not, what would make it clearer?	-
7	Does the framework for determining the principal, secondary and ancillary activities provide sufficient guidance for industry? If not, why not? How could it be improved?	The classification of an activity based upon the proposed definitions of principal, secondary and ancillary activities is acceptable.
8	For vertically integrated activities that occur across two or more ANSZIC Divisions, is distinguishing facilities for each Division workable from a corporate perspective?	AGL has reporting systems set up to report on a facility basis and therefore this approach is acceptable.
9	Are there any difficulties with the proposals for reporting emissions from diffuse sources (transport, pipelines and transmission)?	<p>Pipelines: AGL agree with the approach that a pipeline should be considered a single entity. Where a pipeline crosses a State border, a pro-rata approach for the length of the pipeline is appropriate with compressor stations being assigned to their relevant State.</p> <p>AGL would seek further consultation on the methods to be used to determine emissions from gas pipelines.</p> <p>Electricity: Transmission - AGL operate a number of generation facilities which deliver electricity to the National Electricity Market (NEM). Typically, the measurement point for scheduled NEM generators is at the Regional Reference Node (RRN) in which the generator is located. Measurement for reporting of emissions at this point would take into account all energy consumed within the facility as well as the transmission losses associated with delivery to the Regional Reference Node. AGL considers this is the point at which measurement for reporting emissions should be taken..</p>
-	General Comment – Operation	AGL agrees in principle with the proposed definition

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	Control	of operational control for a facility.
10	Is the proposed information requirements for registration applications sufficient? If not, what other information should be required?	-
11	Are there any additional items that should be listed or published on the National Greenhouse and Energy Register (e.g. Australian Business Number/contact details etc.)? If so, what and why?	AGL supports the inclusion of sufficient detail to identify entities and relevant officers that are responsible for reporting emissions to GEDO.
12	Are there any objections to the information proposed to be disclosed?	AGL accepts the level of information to be listed on the National Greenhouse and Energy Register proposed in Section 3.2 of the Discussion Paper. AGL would request that further consultation be carried out as to the detail to be presented in relation to point 4. i.e. " <i>Whether the corporation has complied with the Act during the specific trigger year, listed as the status of compliance and enforcement actions, if any</i> ".
13	Are the requirements for deregistration applications appropriate? If not, why not?	-
14-16	<i>Questions not listed in Discussion Paper</i>	-
17	It is proposed that registered corporations may only be required to report data related to specific thresholds exceeded in a given reporting year – would this cause any confusion in relationship to reporting requirements?	AGL believe this to be an appropriate approach to determining the level of reporting required by a registered corporation under the System.
18	Will the proposed process for nominating another person (e.g. contractor) to report information to the GEDO cause any problems with contractual arrangements?	-
19	Are there any reasons why reporting on energy production and consumption by fuel type and equipment type would be impractical?	AGL accept that reporting on energy production and consumption by fuel type is appropriate for the proposed level of greenhouse reporting. AGL acknowledge that a level of information is required on equipment to accurately calculate the emission levels associated with fuel use. However, AGL request further clarification on the proposal to report by equipment type so as to ensure that the requirements for specifying the equipment type are reasonable.
	General Comment – State and	AGL note that the provision of information to the States and Territories should only be carried out

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	Territory Data	where there is a clear policy objective being pursued by the State which is not a duplicate of Commonwelath policy.
20	Are the any concerns in relation to the proposed level at which a corporation's information will be published? If so what are the concerns and why?	<p>Under Section 24(3) of the Act, it is proposed that greenhouse gas emissions, energy consumption and energy production are published for both the controlling corporation and the members of the controlling corporations group. AGL suggest that for a controlling corporation with a significant number of subsidiary corporations that reporting be limited to the controlling corporation so as to ensure a manageable reporting burden on large corporations.</p> <p>Note: AGL does not support publicly disclosing emissions at a facility level.</p>
21	Are there any reasons why scope 1 and scope 2 greenhouse gas emissions of corporations should not be published separately?	<p>AGL suggest that in order to prevent confusion resulting from the reporting of both scope 1 and 2 emissions, that in the initial stages of the GH Reporting System GEDO only report scope 1 emissions, energy consumption and energy produced.</p> <p>In the event that scope 1 and 2 emissions are reported these should be reported separately.</p>
22	Is there any additional information that is being provided by corporations that should be published to ensure the objects of the legislation are met? If so what and why is it needed?	-
23	Are there any concerns in relation to the agencies that data can be disclosed to under s26(1)?	-
24	Should any additional people and/or agencies be added to the proposed regulation under s26(1)?	-
	General Comment – Auditing and verification	AGL suggest that AGO adopt an approach similar to the Generator Efficiency Standards (GES) agreements wherby AGO manages the compliance audits.
25	What professional expertise and qualifications should external auditors possess? How would these be assessed? What arrangements would ensure consistency in the quality of external auditors?	AGL suggest that an audit panel be set up for the reporting system, similar to that operating for Greenhouse Challenge Plus. Under the panel arrangement, audit companies would nominate individual staff for accreditation under the panel. These staff would have to meet set criteria for technical competence and experience.
26	What guidelines should there be covering the conduct of external audits and the preparation of audit	AGL suggest that technical guidelines for the reporting system be developed to form the benchmark for the audits.

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	reports?	Audit guidelines would also be required to benchmark the level of reporting required. This would provide value for both reporting corporations and auditors.
27	What arrangements would ensure consistency in the conduct of external audits and the quality of audit reports?	AGL suggest that the audit process be managed by the Department of Environment and Water Resources. AGL do not support the practice of 'outsourcing' the Scheme Administrator to an external third party as this adds another layer of bureaucracy that does not deliver value.
28	Are there any additional matters that should be covered by regulations on infringement notices?	-

Please do not hesitate to contact me on 02 9921 2612 or at adudgeon@agl.com.au should you require any further information.

Kind regards,



Andrew Dudgeon
Manager, Sustainability Strategy