

Climate Change and Greenhouse Gas Reduction (Greenhouse Gas Emissions Measurement Method) Determination 2020 (No 2)

Disallowable instrument DI2020–280

made under the

Climate Change and Greenhouse Gas Reduction Act 2010, s 11 (Measuring greenhouse gas emissions – determinations)

EXPLANATORY STATEMENT

This explanatory statement relates to the *Climate Change and Greenhouse Gas Reduction (Greenhouse Gas Emissions Measurement Method) Determination 2020 (No 2)* as made by the Minister for Climate Change and Sustainability and presented to the Legislative Assembly. It has been prepared in order to assist the reader of the instrument. It does not form part of the instrument and has not been endorsed by the Legislative Assembly.

This explanatory statement must be read in conjunction with the instrument. It is not, and is not meant to be, a comprehensive description of the instrument. What is said about a provision is not to be taken as an authoritative guide to the meaning of a provision, this being a matter for the courts.

Overview

The *Climate Change and Greenhouse Gas Reduction Act 2010* (the Act) sets targets for greenhouse gas (GHG) emissions reductions and the use of renewable electricity in the ACT. It also provides for monitoring and reporting on progress made in achieving GHG emissions reductions, informs the government's development of policies, and encourages private entities to actively address climate change.

Pursuant to section 12 of the Act, an independent entity must prepare a report annually on the measured GHG emissions for the ACT. The report must be provided to the Minister within three months after the end of the reporting period; that is, by 30 September each year for the period two years in arrears.

Purpose

The purpose of the *Climate Change and Greenhouse Gas Reduction (Greenhouse Gas Emissions Measurement Method) Determination 2020 (No 2)* (the Determination) is to prescribe a method for measuring GHG emissions. Under section 11 of the Act, the Determination is made by way of a Disallowable Instrument which must be notified, and presented to the Legislative Assembly, under the *Legislation Act 2001*. The Determination takes effect on the day after its notification day.

In making the Determination, the Minister must (as per section 11(3) of the Act):

- seek, and have regard to, the advice of an independent entity on the method for measuring GHG emissions; and
- as far as practicable, ensure consistency with the best national and international practices in relation to measuring GHG emissions.

Prior to making the Determination, the Minister sought and had regard to the advice of independent consultants, *Strategy. Policy. Research.*, on the method for measuring GHG emissions.

Previous updates made

In 2015, a fundamental review of the method was made to align the ACT greenhouse gas inventory with the publication in 2014 of the *Global Protocol for Community-Scale Greenhouse Gas Emission Inventories*, and the use of the *2006 IPCC (Intergovernmental Panel on Climate Change) Guidelines for National Greenhouse Gas Inventories* in the National Greenhouse Gas Inventory 2013, published in May 2015.

In 2016, minor technical amendments were made to the method to:

- use a waste emissions model that incorporates ACT specific data from landfill sites to improve the accuracy of accounting, while remaining consistent with the methods used in the National GHG Inventory and National Greenhouse and Energy Reporting system, and
- use an extrapolation calculation to synthetic gas data as provided by the National Inventory system to better estimate the current years emissions value.

In 2017, minor technical amendments were made to reflect best practice GHG accounting and improve the accuracy of the GHG Inventory. The changes were:

- including emissions from commercial composting of biomass materials; and
- calculating below-baseline electricity generation on a 5-year rolling average.

In February 2020, amendments were made to reflect changes in the availability of data relating to the ACT's share of below baseline NSW region National Electricity Market renewable electricity generation.

Updates made by this Determination

This determination has been made to bring the reporting of renewable electricity in line with the method used to measure the ACT's 100% renewable electricity under s 10 of the Act. These changes relate to the way the Large-scale Generation Certificates (LGCs) and GreenPower purchases are treated in the ACT's greenhouse gas accounting.

The determination allows the voluntary surrender of LGCs to be accounted for in the calculation of ACT emissions from electricity. It also provides the Minister with the option of not counting GreenPower purchases towards the ACT meeting its legislated emissions reduction targets.

Other

The Determination is not likely to impose appreciable costs on the community, or part of the community and for this reason a regulatory impact statement is not required consistent with section 34 of the Legislation Act. In addition, in accordance with s36(1)(b) of the Legislation Act, a regulatory impact statement is unnecessary as the determination provides a tool to calculate the greenhouse gas emissions in the ACT and does not adversely affect a person's rights, or impose liabilities on anyone.

Similarly, as the Determination only provides a tool to calculate the GHG emissions in the ACT, it does not derogate from a right contained in the *Human Rights Act 2004*.

Outline of Provisions

Clause 1 Name of Instrument

This clause names the instrument as the *Climate Change and Greenhouse Gas Reduction (Greenhouse Gas Emissions Measurement Method) Determination 2020 (No 2)*.

Clause 2 Commencement

This clause states that the instrument commences on the day after its notification day.

Clause 3 Determination of method for measuring greenhouse gas emissions

This clause determines the method for measuring the amount of greenhouse gas emission in the Act by reference to the method set out in the schedule.

The schedule to the instrument contains several provisions that provide the method for calculating emissions from different energy sources and industries. The schedule includes methods for measuring emissions from stationary energy including electricity; natural gas; LPG stationary combustion; fuel oil; wood fuel and fugitive energy emissions: natural gas distribution. The schedule also includes methods for calculating emissions from transport; industrial processes and product use; agriculture; land use, land-use change and forestry; and waste.

Clause 4 Revocation

This clause provides that the previous disallowable instrument, the *Climate Change and Greenhouse Gas Reduction (Greenhouse Gas Emissions Measurement Method) Determination 2020 (DI2020-16)*, is revoked.