

Climate Change and Greenhouse Gas Reduction (Greenhouse Gas Emissions Measurement Method) Determination 2021

Disallowable instrument DI2021-269

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 2021* (the **determination**) as made by the Minister for Water, Energy and Emissions Reduction 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 reduction and the use of renewable electricity in the ACT. It also provides for monitoring and reporting on progress made in achieving GHG emissions reduction, 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 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 commences 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, Point Advisory, 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.

In September 2020, amendments were made to align the reporting of renewable electricity with the method used to measure the ACT's renewable electricity levels under section 10 of the Act. These changes allow the voluntary surrender of Large-

scale Generation Certificates to be accounted for in the calculation of the ACT's emissions from electricity. They also provide the Minister with the option of not counting GreenPower purchases towards the ACT meeting its legislated emissions reduction targets.

Updates made by this determination

This determination makes minor technical amendments to the method for measuring ACT greenhouse gas emissions from:

- agriculture;
- industrial emissions; and
- land use, land use change and forestry (*LULUCF*).

The method for measuring emissions from agriculture has been amended to draw data from the Australian Bureau of Statistics' Agricultural Commodities survey. This allows ACT emissions to reflect the number of livestock within ACT borders.

The industrial emissions measurement method has been updated to reflect industrial emissions changes from the past two years more accurately. Residential industrial emissions are now calculated based on the number of households in the ACT, provided by the Australian Bureau of Statistics rather than linear projection based on historic emissions. Commercial industrial emissions are calculated based on data provided by the Clean Energy Regulator.

The measurement method for emissions from LULUCF has been updated. The Australian Government data used to measure this emissions source are not available until two years after ACT emissions results are published. The method change requires the ACT to record the most recent ACT LULUCF emissions as an average of the previous three years of LULUCF results.

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 2001*. In addition, in accordance with section 36 (1) (b) of the *Legislation Act 2001*, a regulatory impact statement is not necessary as the determination provides a tool to calculate the GHG 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 engage 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 2021*.

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 schedule 1.

Schedule 1 contains several provisions that provide the method for calculating emissions from different energy sources and industries, including: electricity, natural gas, transport; industrial processes and product use; agriculture; LULUCF; and waste.

Clause 4 Revocation

This clause provides that the previous determination, the *Climate Change and Greenhouse Gas Reduction (Greenhouse Gas Emissions Measurement Method) Determination 2020 (No 2)* (DI2020-280), is revoked.