## NABERS

19 March 2021

RET and Energy Section Clean Energy Regulator GPO Box 621 Canberra ACT 2601



By email: <u>CER-RETandEnergySection@cleanenergyregulator.gov.au</u>

Dear RET and Energy Section team,

## NABERS response to Corporate Emissions Reduction Transparency Report consultation

NABERS appreciates the opportunity to provide a submission to the Clean Energy Regulator's consultation on the introduction of a Corporate Emissions Reduction Transparency Report, underpinned by the National Greenhouse and Energy Reporting scheme.

NABERS fully supports the move towards emissions transparency to help organisations understand their own progress versus others, as well as increased transparency as a driver for improving public targets.

NABERS is a national rating system that measures the environmental performance of buildings and tenancies. NABERS is one of the most effective sustainability initiatives in Australia, bringing an unprecedented level of transparency to energy, water and waste performance in buildings. Buildings regularly certified by NABERS improve energy efficiency by 30–40% over 10 years.

NABERS is a reliable and easy to understand sustainability rating for the built environment. Like the efficiency star ratings that you get on your fridge or washing machine, NABERS provides a rating from one to six stars for buildings efficiency. NABERS measures actual impact, not intent.

NABERS is a world leading building performance rating due to its integrity of methods, transparency of process and accountability to industry. NABERS is administered by Australia's New South Wales Government, and is in three countries; Australia, New Zealand and the UK.

For over two years NABERS has been delivering Climate Active certification for buildings.

NABERS has several recommendations for the design of the CERT.

Publishing residual mix factors for the application of market-based carbon accounting.

NABERS supports the allocation of the Renewable Power percentage to customers in accordance with best practice carbon accounting guidelines. To accurately quantify the remaining emissions, a residual mix factor is necessary. NABERS recommends that an official residual mix factor is published in the National Greenhouse Accounts workbook published by the Commonwealth every year. This is necessary to avoid double counting when allocating LGCs surrendered under the Renewable Energy Target to customers. This will enable the CERT and other schemes to align to the internationally

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recognised <u>Greenhouse Gas Protocol for scope 2 emissions</u> published by the World Resources Institute.

Recognising Climate Active achievement beyond the "organisation" certification

NABERS welcomes the recognition of Climate Active achievements in the CERT, however there are concerns with limiting this recognition to "organisations" only. In the property sector a number of property groups have chosen the "buildings" certification instead of the "organisation" certification to ensure that the emissions of all of their building assets are included in the recognition. In the organisation certification the property group does not have to include the emissions of the operations of the buildings that they own, meaning that a large proportion of the emissions from their activities are not captured. We recommend that buildings certifications are also recognised in the CERT and that the corresponding public disclosure statements are referenced.

Recognising other schemes in the future that demonstrate zero emissions achievements.

NABERS is working with government and industry to develop a certification to recognise buildings that have zero scope 1 and 2 emissions. NABERS recommends a review of the schemes demonstrating zero emissions that are eligible to be included in the CERT in the future.

We would welcome the opportunity to meet with the RET and Energy team responsible for developing the CERT to discuss our feedback in more detail. You can reach me at corine.mulet@environment.nsw.gov.au.

Yours Sincerely,

Corine Mulet

**Head of Operations and Standards - NABERS**