The Clean Energy Regulator
What we do

Clean Energy Regulator

- Carbon Farming Initiative
- National Greenhouse and Energy Reporting
- Australian National Registry of Emissions Units
- Carbon Pricing Mechanism
- Renewable Energy Target
Carbon Price
• Around 350 of Australia’s largest emitters
  • Coal-fired electricity generators
  • Landfill/waste industry
  • Fuel users
  • Natural gas suppliers

National Greenhouse and Energy Reporting
• Around 850 corporations on the NGER register
  • Publication threshold is 50Kt CO₂-e

Our Clients

Carbon Farming Initiative
• Landholders
• Livestock and forestry industries
• Landfill operators

Renewable Energy Target
• Around 350 renewable energy power stations
• Around 1.5 million householders or their registered agents
• Around 90 electricity retailers
Our approach

Client Legislative Obligations

Register

Report Correctly

Accept Eligibility / Liability

Transact

Clean Energy Regulator

Compliance, education and enforcement

Integrity of the instruments (units)

Effective and efficient administration

Confidence in the market and the Regulator

Information and data to assist decision-makers
Streamlining data collection

- Ensure scheme participants understand their obligations
- Streamline data collection and reduce duplication of reporting requirements across Australia
- Reduce burden on industry
GER emissions calculators
Online System for Comprehensive Reporting

- Adopted as the National Greenhouse and Energy Reporting (NGER) tool in 2007
- Enhanced to support disclosure of greenhouse and energy data for 2011-12
- New Emissions and Energy Reporting System being developed for 2012-13
Report validation and Audit Framework

- Robust validation process following each reporting period
- Detailed analysis of all reports
- Findings lead to targeted guidance and assistance to help businesses meet their obligations
- Supported by audit process and assurance process under the Audit Framework
GER Audit Framework

- Includes Greenhouse and Energy Auditor Registration
- NGER (Audit) Determination 2009 defines requirements for undertaking audits
- Assurance based framework
- Covers audits under NGER, Carbon Farming Initiative, Jobs for Competitive Program, Renewable Energy Target, and Carbon Pricing Mechanism.
- New International Standard ISAE 3410 Assurance on Greenhouse Gas Statements
Compliance

Behaviours and motivation

**VOLUNTARY COMPLIANCE**
- Informed self assessment
- Management is compliance-oriented

**ACCIDENTAL NON-COMPLIANCE**
- Not yet compliant
- Attempting compliance (e.g., developing internal control systems to ensure compliance)

**OPPORTUNISTIC NON-COMPLIANCE**
- Resistance to compliance
- Lack of indication of intention to comply (e.g., no indication of systems in place to ensure compliance)

**INTENTIONAL NON-COMPLIANCE**
- Deliberate non-compliance
- Criminal intent or fraud
- Other illegal activity

Clean Energy Regulator’s response

**HELP AND SUPPORT**
- The Regulator will release information and guidelines to assist understanding of participants’ obligations
- The Regulator will provide opportunities for complying participants to ask questions, discuss issues of concerns and participate in educational and discussion forums
- The Regulator will use proactive audits to develop a better understanding of capabilities to comply

**EDUCATE AND PROVIDE FEEDBACK**
- The Regulator will provide additional guidance to targeted participants
- Where an apparent non-compliance is identified, the Regulator will provide relevant parties with an opportunity to respond
- The Regulator will provide feedback on adequacy of systems and arrangements to ensure compliance

**CORRECT BEHAVIOUR**
- The Regulator will respond to detected non-compliance according to the severity (e.g., accepting enforceable undertakings, giving infringement notices, revocation and suspension)
- Contraventions that have a serious impact will be dealt with accordingly
- Publication of information about breaches and enforcement activities

**ENFORCE THE LAW**
- Where appropriate, the Regulator will initiate investigations, pursue civil action or refer any relevant cases for criminal prosecution

Risk level: Low, RISK, High
Public disclosure / confidentiality rules

- We manage market sensitive information appropriately.
- Legislation administered by the Clean Energy Regulator places strict restrictions on the disclosure of information that is not publicly available.
Companies collect data and keep records

Summary information published 28 February

Company reports due 31 October
Liable Entities Public Information Database (LEPID)

The Clean Energy Regulator is required to make an entry for a person in the LEPID if it 'has reasonable grounds to believe that a person is, or is likely to be, a liable entity for an eligible financial year'

Currently there are 316 entities listed on the LEPID

The LEPID is updated as new information is made available
The LEPID will include the following information when it becomes available:

- emission numbers
- number and type of surrendered emission units
- number of emission units required to be relinquished and number of relinquished emission units under the Jobs and Competitiveness Program of the Clean Energy Act 2011, and
- any unit shortfall and any unpaid unit shortfall charge.
Scope 1 and Scope 2 emissions

Scope 1 – direct result of facility’s activities

Scope 2 – direct result of activities that generate electricity, heating, cooling or steam consumed by the facility

NGER reporting covers both Scope 1 and scope 2 emissions.

The carbon pricing mechanism only counts Scope 1 emissions towards liable entity carbon emissions.
Carbon pricing mechanism

Stage 1: Fixed price period
- Three years from 1 July 2012
- Liable entities purchase units up to emissions levels
- Units cannot be traded or banked

Stage 2: Flexible price period
- From 1 July 2015
- Auctions to commence first half of 2014
- Pollution caps set by Government through Regulations
First year timeline

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2012-13 cycle (liability commences 1 July 2012)

By 1 May 2013

Interim number by 15 June 2013; NGER report by 31 October 2013

Liability based on NGER report

Acquire units. Surrender units by 1 February 2014 to cover liability
Thank you
Questions?