

2017
**CARBON
NEUTRAL
PROGRAM**
PUBLIC DISCLOSURE SUMMARY

REPORTING PERIOD: 1 JULY 2016 - 30 JUNE 2017



An Australian Government Initiative

DECLARATION

To the best of my knowledge, the information provided in this Public Disclosure Summary is true and correct and meets the requirements of the National Carbon Offset Standard Carbon Neutral Program.

Name of Signatory: Ian Learmonth

Position of Signatory: CEFC CEO

Signature: 

Date: 26 November 2018

Carbon neutral certification type: Organisation

Date of most recent external verification/audit: April 2018

Auditor: Benjamin Jenkins, GPP Audit Pty Limited

Signature: 

Auditor assurance statement link: NA

CLEAN ENERGY FINANCE CORPORATION

The Clean Energy Finance Corporation (CEFC) invests, applying commercial rigour, to increase the flow of finance into the clean energy sector. Our mission is to accelerate Australia's transformation towards a more competitive economy in a carbon constrained world, by acting as a catalyst to increase investment in emissions reduction. We do this through an investment strategy focused on cleaner power solutions, including large and small-scale solar, wind and bioenergy; and a better built environment, with investments to drive more energy efficient property, vehicles, infrastructure, and industry. The CEFC also invests with co-financiers to develop new sources of capital for the clean energy sector, including climate bonds, equity funds, aggregation facilities and other financial solutions.

The CEFC was established under the Clean Energy Finance Corporation Act 2012 (CEFC Act) and is an independent statutory authority, defined as a corporate Commonwealth entity under the Public Governance, Performance and Accountability Act 2013 (PGPA Act). The CEFC has access to \$10 billion in capital, by way of special appropriations under the CEFC Act, to invest in clean energy technologies, projects and businesses.

The CEFC's purpose and mission is achieved through:

- Investing in clean energy technologies and projects
- Leveraging CEFC investment to attract additional private sector investment
- Sharing experiences, insights and expertise with project sponsors, co-investors, public sector agencies, the energy sector and other industry bodies
- Investment approach

CARBON NEUTRAL INFORMATION

DATA COLLECTION

The methods used for collating data, performing calculations and presenting the carbon account are in accordance with the following standards:

- National Carbon Offset Standard for Organisations
- The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition)
- National Greenhouse and Energy Reporting (Measurement) Determination 2008

Where possible, the calculation methodologies and emission factors used in this inventory are derived from the National Greenhouse Accounts (NGA) Factors in accordance with 'Method 1' from the National Greenhouse and Energy Reporting (Measurement) Determination 2008.

EMISSIONS CONSIDERED

The greenhouse gases (GHGs) considered within the inventory are those that are commonly reported under the Kyoto Protocol, including carbon dioxide (CO₂), methane (CH₄) and nitrous oxide (N₂O) and synthetic gases, including hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), sulphur hexafluoride (SF₆) and nitrogen trifluoride (NF₃). These GHGs are expressed as carbon dioxide equivalents (CO₂-e) using relative global warming potentials (GWPs).

AUSTRALIA'S EMISSIONS COMMITMENT

The Australian Government has committed to reduce Australia's emissions by 26 to 28 per cent below 2005 levels by 2030 under the Paris Agreement, as part of initial international efforts to cap any rise in global temperatures to well below 2°C above pre-industrial levels. In order to achieve this objective, all parties are aiming to pursue net zero global emissions in the second half of this century.

The most recent projections from the Department of the Environment and Energy show that the electricity sector currently accounts for 34 per cent of Australia's emissions, with direct combustion (18 per cent), transport (17 per cent) and agriculture (13 per cent) the other major emitting sectors.

CEFC OPERATIONAL BUSINESS

This Public Disclosure Summary (PDS) provides an overall approach to our national Carbon Offset Standard (NCOS) carbon neutrality certification. It covers all parts of the CEFC operational business, including scopes 1, 2 and 3. In addition, we have fulfilled the NCOS requirement for an independent audit assurance report to validate our carbon neutrality claim. Based on an operational consolidation approach, this report covers each of the CEFC's offices:

SYDNEY

Suite 1702,
1 Bligh St, Sydney

BRISBANE

Level 8,
140 Ann St, Brisbane

Riparian Plaza,
71 Eagle St, Brisbane
from 6 June 2017

MELBOURNE

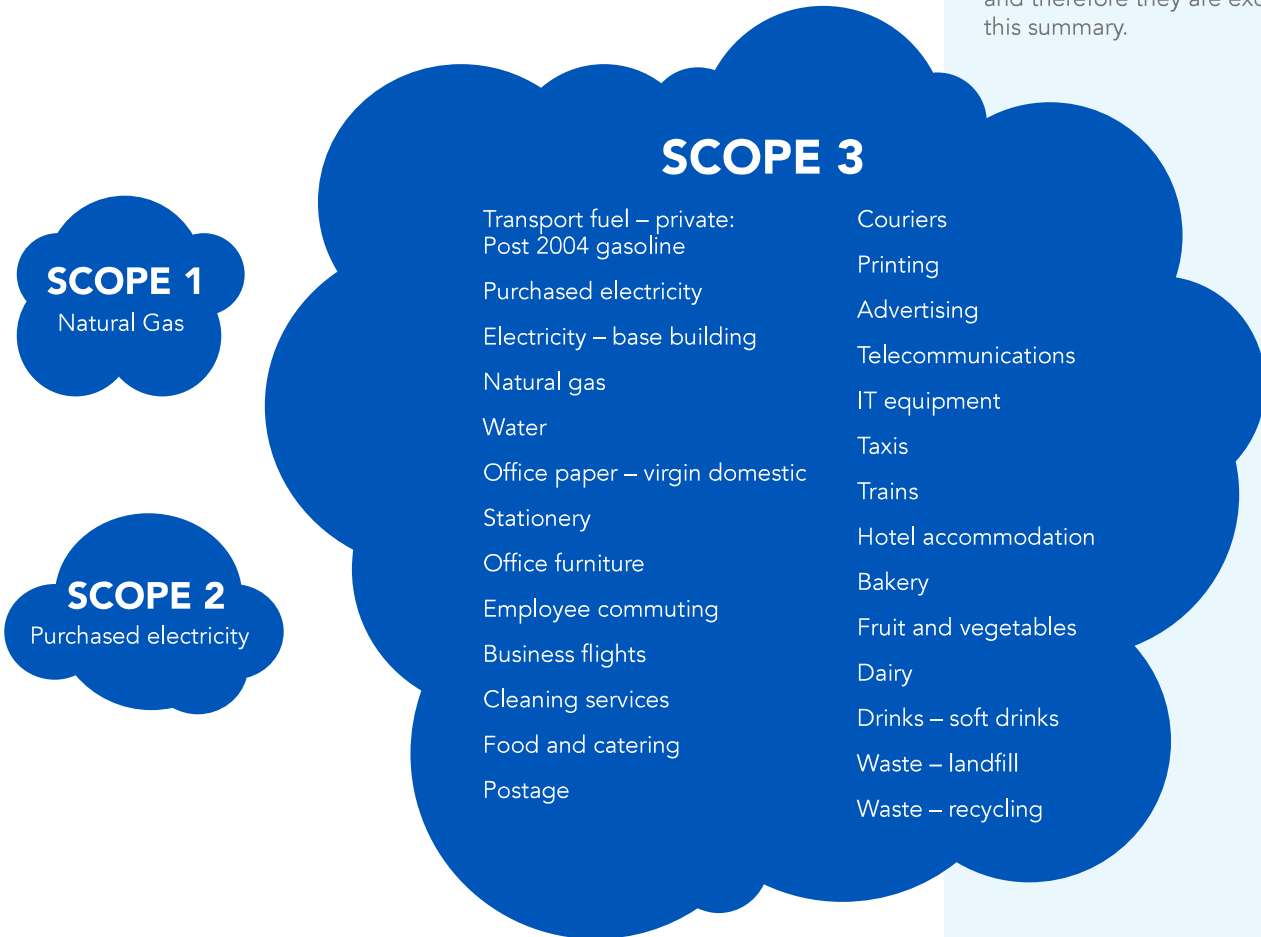
90 Collins St,
Melbourne

CEFC EMISSION SOURCES WITHIN CERTIFICATION BOUNDARY

The Certification Boundary for the CEFC carbon inventory is detailed below. All quantifiable sources of emissions are included.

EXCLUDED EMISSIONS SOURCES

CEFC does not have financial control over its investments or their business-as-usual operational carbon emissions and therefore they are excluded from this summary.



CEFC EMISSIONS REDUCTION MEASURES

The CEFC is an organisation dedicated to facilitating Australia's transition to a clean energy economy. The CEFC's investments are directed towards renewable energy, energy efficiency and low emissions technologies, the promotion of emissions reduction and therefore have a positive environmental impact.

Since its inception in 2013, the CEFC has operated with a commitment to minimise its impacts on the environment. The CEFC has embedded sustainability as part of its day to day decision making. Reflecting our unique role in the market, the CEFC also works to raise awareness about sustainable business practices in its external engagement activities.

Since we began operating in 2012, the CEFC has demonstrated a strong commitment to reducing the emissions associated with our own business activities.

While emissions related to the procurement of IT equipment, staff commuting and third-party services are material, these activities are a function of normal business operations and are unlikely to offer significant opportunities for improvement.

However, in our first formal carbon footprint assessment under the Carbon Neutral Program, we have identified two priority areas for action with the potential to reduce emissions: lowering the number of business flights and improving the emissions performance of our utilities.

As this was our first year, we have enabled the following initiatives to reduce our carbon emissions:




Established a 'Green Team' to facilitate in reducing our emissions and to investigate opportunities to reduce our carbon emissions

Met with Brisbane facility management to discuss sustainability matters of mutual benefit

Provided staff with information about our collective energy consumption and emissions, e.g. NCOS asperations, tenancy energy use, computers left on overnight and business travel.

CEFC EMISSIONS REDUCTION MEASURES

Table 1:

 <h2>TRANSPORT</h2> <ul style="list-style-type: none">• Provided end-of-trip facilities to encourage other modes of transport (excluding cars), including on floor lockers for staff• Upgraded video conferencing capabilities in all our offices to reduce the need for interstate travel	 <h2>UTILITIES</h2> <ul style="list-style-type: none">• Supported an energy efficient base building rating of 5 Stars NABERS Energy for all offices• Benchmarked our tenancy energy consumption for the Brisbane and Sydney premises• Green Power selected where the retailer can supply that product to our tenancy	 <h2>WASTE</h2> <ul style="list-style-type: none">• Provided Mobile Muster boxes to encourage the recycling phones in the Brisbane and Sydney offices• Confirmed our ability to recycle electronic waste
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CEFC EMISSIONS REDUCTION STRATEGY

Improving our emissions performance is an ongoing commitment. The Green Team will investigate the merits of developing an Emission Management Plan and GHG reduction targets and communicate this to management via periodic progress reports. Other initiatives under consideration are detailed below.

Table 2:

 <h2>TRANSPORT</h2> <ul style="list-style-type: none">• Research how to reduce flight-related emissions via education• Continue to encourage increased use of video conferencing facilities	 <h2>UTILITIES</h2> <ul style="list-style-type: none">• Request facility management undertake a NABERS Tenancy Co-Assess Ratings upon NABERS Energy Base Building anniversary• Develop educational piece to promote turning off monitors and PCs overnight• Develop quarterly emissions fact sheet to raise awareness of energy consumption• Motivate and educate staff, drawing on the NABERS Guide for Tenants	 <h2>WASTE</h2> <ul style="list-style-type: none">• Approach building manager to increase recycling streams in the Brisbane premises• Facilitate recycle of batteries, mobile phones and IT equipment in all CEFC offices
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CARBON EMISSIONS SUMMARY

Table 3:

CARBON EMISSIONS SUMMARY

SCOPE	EMISSIONS SOURCE	tCO ₂ -e
1	Natural Gas – NSW	3.2
1	Natural Gas – VIC	1.0
2	Purchased electricity – NSW	45.6
2	Purchased electricity – QLD	36.5
2	Purchased electricity – VIC	4.5
3	Transport fuel - private: Post 2004 gasoline	13.1
3	Purchased electricity – NSW	6.6
3	Purchased electricity – QLD	6.5
3	Purchased electricity – VIC	0.4
3	Electricity – base building - NSW	49.8
3	Electricity – base building - QLD	29.1
3	Electricity – base building - VIC	55.3
3	Natural Gas – NSW	0.8
3	Natural Gas – VIC	0.1
3	Water – NSW	0.2
3	Water – QLD	2.0
3	Water – VIC	0.2
3	Office paper – virgin domestic	3.9
3	Stationery	12.7
3	Office furniture	96.8
3	Employee commuting	52.8
3	Business flights	467.8
3	Cleaning services	18.1
3	Food and catering	37.6
3	Postage	0.4
3	Couriers	5.3
3	Printing	40.9
3	Advertising	6.8
3	Telecommunications	18.6
3	IT equipment	55.2
3	Taxis	12.7
3	Trains	9.9
3	Hotel accommodation	24.6
3	Bakery	0.9
3	Fruit and vegetables	1.3
3	Dairy	1.0
3	Drinks – soft drinks	1.8
3	Waste – landfill	15.8
3	Waste – recycling	2.6
TOTAL GROSS EMISSIONS		1,142.6
GREENPOWER		- 62.7
TOTAL NET EMISSIONS (tCO₂-e)		1,079.9

CARBON OFFSETS

The CEFC has procured offsets from two sources: South Pole and Landfill Gas Industries (LGI). The LGI generated offsets are actually ACCUs created via projects part financed by the CEFC through its corporate debt facility to LGI.

Table 4:

PURCHASED CARBON OFFSETS SUMMARY

OFFSET TYPE	REGISTRY	YEAR RETIRED	QUANTITY	SERIAL NUMBERS
VCU	Markit	2016	102	2657-116677535-116677636-VCU-016-MER-AU-14-587-01032011-29022012-0
VCU	Markit	2017	60	2646-115189701-115189760-VCU-016-MER-AU-14-641-01072011-15042012-0
VCU	Markit	2017	46	1613-67350860-67350905-VCU-006-MER-AU-14-641-01042010-30062011-0
VCU	Markit	2017	48	2646-115190927-115190974-VCU-016-MER-AU-14-641-01072011-15042012-0
VCU	Markit	2016	26	2657-116677637-116677662-VCU-016-MER-AU-14-587-01032011-29022012-0
KACCU	ANREU	2018	787	3,769,002,878 - 3,769,003,664
KACCU	ANREU	2018	11	3,769,004,805 - 3,769,004,877
TOTAL OFFSET UNITS RETIRED tCO₂-e				1,080
GREENPOWER OFFSETS tCO₂-e				62.7
NET EMISSIONS AFTER OFFSETTING tCO₂-e				0
TOTAL OFFSETS BANKED FOR USE FUTURE YEARS (IF ANY) [INCLUDE SERIAL NUMBERS]				0

OFFSETS PURCHASING AND RETIREMENT STRATEGY

CEFC's offsetting approach involves purchasing and retiring offsets at the beginning of each reporting year as follows:

1. CEFC retires the amount of offsets equal to emissions for the previous year
2. At the end of the reporting year, a further inventory is produced
3. A true-up (or down) occurs to bring offsets into line with actual emissions
4. CEFC again retires the amount of offsets equal to emissions measured for the previous year and the cycle continues.

Table 5:

1. TASMANIAN NATIVE FOREST PROTECTION SCHEME

CONTEXT

Tasmania is internationally recognised for its precious native forest, endemic species, significant biological diversity and spectacular wild places. However, significant tracts of native forest are still being logged or are scheduled for logging to make way for pasture and other agricultural use.

PROJECT

The Tasmanian Native Forest Protection scheme minimises GHG emissions by preventing the release of carbon stored in the trees, which would otherwise occur through the logging, processing and use of the timber. The carbon credits provide a means for landholders to pursue a new business model, generating revenue from protecting trees rather than clearing them.

BENEFITS

The projects help protect and restore Tasmania's valuable native forests, which also provide a habitat for a number of endangered species.

2. LANDFILL GAS INDUSTRIES SCHEME

CONTEXT

There are approximately 665 operating landfills in Australia, which receive around 27 million tonnes (Mt) of solid waste each year. Landfills generate methane, a potent greenhouse gas, which typically makes up around half of landfill gas (National Waste Reporting 2013)

PROJECT

The Landfill Gas Industries scheme upgrades an existing landfill gas collection system to capture and combust gas generated at the landfill from legacy and non-legacy waste. The CEFC provided corporate finance to facilitate upgrades to landfill gas capture, combustion and electricity generation systems.

BENEFITS

Landfill emissions can be reduced by capturing and combusting landfill gas before it escapes to the atmosphere. While landfills generated a total of 16.5 Mt CO₂-e emissions in 2015, they also captured and combusted methane equivalent to 8.1 Mt CO₂-e, reducing emissions to the atmosphere by half (net emissions 8.4 Mt CO₂-e) (National Inventory Report 2014).

HAVE YOU DONE MORE?

In the period covered in this report, CEFC investment priorities were focused on opportunities with strong potential to accelerate the decarbonisation of the Australian economy, contributing to Australia's commitments under the Paris Agreement. This targeted approach, working alongside investors and project proponents, saw a substantial increase in anticipated carbon abatement associated with CEFC finance in the 2016-17 year.

New investment commitments in the 2016-17 year are expected to abate 5MtCO₂-e annually. Across the CEFC portfolio of current investments at 30 June 2017 (assuming all reach financial close, are constructed to design and fully operational), CEFC financed projects are estimated to achieve annual abatement of almost 7.3 million tonnes CO₂-e, and more than 121 million tonnes CO₂-e over their lifetimes. *(The CEFC does not claim that this abatement occurs independently of complementary government policies such as the Renewable Energy Target.)*

Table 6:

ADDITIONAL EMISSIONS REDUCTION MEASURES

ENERGY EFFICIENCY

Open plan offices, allowing easier control of air conditioning

Centralised printing facilities, allowing for fewer high capacity multi-function devices (which have energy saving modes when not in use)

Energy efficient computer monitors and laptops, which employees are encouraged to turn off each evening

Sensor and LED lighting in our Sydney and Brisbane offices, which have a 5-star NABERS energy rating

There are no car parks associated with CEFC office leases and employees are encouraged to walk, run or cycle to work and to use public transport. In addition, no corporate car parks or corporate vehicles are provided to employees

WASTE REDUCTION

CEFC office furniture has been selected for its high recycled/ recyclable content

A 'follow me' printing system in the Brisbane office to reduce paper consumption, with default printing set to double sided, black and white

The use of 100 per cent recycled printer paper

CARBON OFFSETTING

Offsets of all energy purchased, including carbon offsetting all employee flights and reducing the number of inter-office flights by using video conferencing facilities

DECARBONISING OUR ECONOMY

CEFC PORTFOLIO EMISSIONS

ANNUAL ABATEMENT ESTIMATED

7.3M tCO₂-e

LIFETIME ABATEMENT ESTIMATED

121.6M tCO₂-e

Based on CEFC portfolio of \$3.4 billion at 30 June 2017, assuming all investments reach financial close, are constructed to design and fully operational.

EMISSIONS OVER TIME

Not applicable for initial carbon offsetting period.

USE OF TRADEMARK

Not applicable for initial carbon offsetting period.

ABOUT THE CEFC

The CEFC is responsible for investing \$10 billion in clean energy projects on behalf of the Australian Government. Our goal is to help lower Australia's carbon emissions by investing in renewable energy, energy efficiency and low emissions technologies. We also support innovative start-up companies through the Clean Energy Innovation Fund. Across our portfolio, we deliver a positive return for taxpayers.