

Australian Capital Territory

Climate Change and Greenhouse Gas Reduction (Greenhouse Gas Emissions Measurement Method) Determination 2023

Disallowable instrument DI2023-273

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 2023* (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 ***Legislation Act***). 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.

Updates made by this determination

This determination makes minor technical amendments to the 2022 method to reflect best practice GHG accounting and improve the accuracy of the GHG Inventory.

The determination has been updated to include emissions associated with mobile air-conditioning (MAC) units. Emissions associated with the use of refrigerants in air conditioners in vehicles have been estimated by extrapolating refrigerant stock and leakage rates from the National Greenhouse Accounts to vehicles registered in the ACT (from ABS Vehicle Surveys). This led to an increase in emissions.

Assumptions used to calculate emissions associated with residential refrigerant use in air-conditioners and refrigerators were reviewed and updated in 2022-23. The changes correct refrigerant charge and leakage rate assumptions which have historically been overstated. The effect of this change was a large decrease in residential refrigerant emissions.

The global warming potential (GWP) value of methane was updated from 25 to 28 to correct an error.

An equation for the estimation of agricultural emissions was included for clarity.

The Emissions Fraction for calculating fugitive gas emissions was updated from a number to an Emissions Fraction to reflect the data source and recent amendments to the National Greenhouse and Energy Reporting measurement determination.

Some equations have been modified in their presentation to support clarity or indicate the unit of measurement.

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 (***RIS***) is not required, consistent with section 34 of the Legislation Act. In addition, in accordance

with section 36 (1) (b) of the Legislation Act, a RIS 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 2023*.

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 2022* (DI2022-258), is revoked.