

2018
**CARBON
NEUTRAL
PROGRAM**
PUBLIC DISCLOSURE SUMMARY

REPORTING PERIOD: 1 JULY 2017 - 30 JUNE 2018



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: 17 December 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.

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 25, Riparian Plaza 71 Eagle Street Brisbane
MELBOURNE	Level 13, 222 Exhibition 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.

SCOPE 1

Natural Gas

SCOPE 2

Purchased electricity

SCOPE 3

- Transport fuel – private: Post 2004 gasoline
- Purchased electricity
- Electricity – base building
- Natural gas
- Telecommunications
- Water
- IT equipment
- Office paper – virgin domestic
- Stationery
- Office furniture
- Employee commuting
- Business flights
- Cleaning services
- Postage
- Couriers
- Printing
- Domestic Hotel Accommodation
- International Hotel Accommodation
- Advertising
- Taxis
- Trains
- Bakery
- Fruit and vegetables
- Dairy
- Other Foods
- Drinks – wine and spirits
- Drinks – soft drinks
- Refrigerants – base building
- Waste – landfill
- Waste – recycling

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.

CARBON EMISSIONS SUMMARY

Table 1:

CARBON EMISSIONS SUMMARY

SCOPE	EMISSIONS SOURCE	tCO ₂ -e
1	Natural Gas – VIC	1.1
2	Purchased electricity – NSW	44.4
2	Purchased electricity – VIC	10.6
2	Purchased electricity – QLD	66.7
3	Transport fuel - private: Post 2004 gasoline	10.3
3	Purchased electricity – NSW	5.4
3	Purchased electricity – VIC	1.0
3	Purchased electricity – QLD	10.8
3	Electricity – base building - NSW	50.6
3	Electricity – base building - VIC	20.7
3	Electricity – base building - QLD	91.0
3	Natural Gas – VIC	0.1
3	Water – NSW	0.2
3	Water – VIC	0.2
3	Water – QLD	2.0
3	IT Equipment	29.7
3	Office paper – virgin domestic	1.3
3	Stationery	5.7
3	Office furniture	57.4
3	Employee commuting	57.0
3	Business flights	508.1
3	Cleaning services	13.5
3	Postage	2.2
3	Couriers	8.7
3	Printing	13.6
3	Advertising	13.6
3	Telecommunications	33.8
3	Taxis	15.6
3	Trains	39.7
3	Domestic Hotel accommodation	33.0
3	International Hotel accommodation	0.1
3	Bakery	1.1
3	Fruit and vegetables	4.0
3	Dairy	1.2
3	Other Foods	14.3
3	Drinks – wine and spirits	0.6
3	Drinks – soft drinks	3.8
3	Waste – landfill	3.0
3	Waste – recycling	1.2
3	Refrigerants – base building	7.2
TOTAL GROSS EMISSIONS		1,184.1
GREENPOWER		- 44.4
TOTAL NET EMISSIONS (tCO₂-e)		1,139.7

CARBON OFFSETS

The CEFC has procured ACCU offsets from Landfill Gas Industries (LGI) and they are created by projects which were partly financed by CEFC, through its corporate debt facility to LGI, prior to the loan being repaid in 2018.

Table 2:

PURCHASED CARBON OFFSETS SUMMARY

OFFSET TYPE	REGISTRY	YEAR RETIRED	QUANTITY	SERIAL NUMBERS
KACCU	ANREU	2018	1140	3,769,003,665 - 3,769,004,804
TOTAL OFFSET UNITS RETIRED tCO₂-e				1,140
GREENPOWER OFFSETS tCO₂-e				44.4
NET EMISSIONS AFTER OFFSETTING tCO₂-e				0
TOTAL OFFSETS BANKED FOR USE FUTURE YEARS				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 an 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 an amount of offsets equal to emissions measured for the previous year and the cycle continues, and any remaining offsets are surrendered.

OFFSET PROJECTS: CO-BENEFITS

Table 3:

LANDFILL GAS INDUSTRIES SCHEME

CONTEXT	PROJECT	BENEFITS
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).	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. CEFC provided corporate finance to facilitate upgrades to landfill gas capture, combustion and electricity generation systems.	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 CO ₂ -e emissions in 2015, they also captured and combusted methane equivalent to 8.1 Mt CO ₂ -e, reducing emissions to the atmosphere by half (net emissions 8.4 Mt CO ₂ -e) (National Inventory Report 2014).

CEFC EMISSIONS OVER TIME

The CEFC continues to grow as an organisation and this is reflected in changes to activity data over time. Where possible, emission reduction measures have implemented so that emissions intensities are either stable or going down.

Table 4:

EMISSIONS SINCE BASE YEAR (TCO₂-E)

	2016/17	2017/18
Scope 1	4.2	8.4
Scope 2	86.7	121.7
Scope 3	1,013.7	1,054.0
GreenPower	-54.2	-44.4
TOTAL	1,050.4	1,139.7
tCO₂-e-FTE	12.07	12.12




CEFC EMISSIONS REDUCTION MEASURES

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

We also demonstrate 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.

This is our second year undertaking our carbon footprint assessment under the Carbon Neutral Program and the two priority areas identified in our base year assessment remain unchanged. As such, lowering the number of business flights and reducing energy consumption remains our primary focus.

Table 5:

 <h3>TRANSPORT</h3> <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• Benchmarked our organisational flight data•	 <h3>UTILITIES</h3> <ul style="list-style-type: none">• Facility managers acknowledge NABERS Tenancy Co-Assess Ratings as an opportunity and will consider undertaking as part of their NABERS Energy Base Building rating.• Energy efficient base building rating of 5 Stars NABERS Energy for all offices• Benchmarked our tenancy energy consumption for Brisbane, Melbourne and Sydney• Green Power procured for Sydney and Melbourne tenancies	 <h3>WASTE</h3> <ul style="list-style-type: none">• Requested an organics waste stream for Brisbane base building and facility management is considering options.• Provided Mobile Muster boxes to encourage the recycling phones in the Brisbane and Sydney offices• Confirmed our ability to recycle E-waste in all offices. And Brisbane has been provided an electronic waste wheelie bin to our floor as a trial for the Facility Managers• Trialling coffee cup recycling scheme in Sydney
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CEFC EMISSIONS REDUCTION PRIORITIES

Improving our emissions performance is an ongoing commitment. The Green Team has contemplated an Emission Management Plan however, as our flights and utilities make up approximately 70 per cent of our emissions this remains our primary focus area. We are also considering a range of other strategic initiatives, see Table 6.

Table 6:




 <h3>TRANSPORT</h3> <ul style="list-style-type: none">• Investigate appropriate communication method for our organisational flight data• Research how to reduce flight-related emissions via education• Continue to encourage increased use of video conferencing facilities	 <h3>UTILITIES</h3> <ul style="list-style-type: none">• Investigate an appropriate communication method for our tenancy energy consumption for Brisbane, Melbourne and Sydney• 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	 <h3>WASTE</h3> <ul style="list-style-type: none">• Develop educational piece on waste• Investigate 'KeepCup' for employees
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Table 7:

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

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

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

OUR BROADER ROLE IN REDUCING EMISSIONS

OUR INVESTMENT APPROACH

As an experienced and specialist investor, the CEFC recognises that the transition to a low emissions economy will be achieved through a mix of technologies, alongside centralised and decentralised lower-carbon electricity generation.

We have a particular focus on low carbon electricity, with the CEFC Act requiring that at least half of the CEFC funds invested for the purposes of our investment function are invested in renewable energy technologies from 1 July 2018.

Our strategic investment approach focuses on addressing the main sources of carbon emissions in the Australian economy across four 'decarbonisation pathways'*

1

LOW CARBON ELECTRICITY

through the increased deployment of clean energy technologies, including storage

3

TRANSPORT

moving from fossil fuels to lower emissions fuel sources such as bio-fuels, particularly in the transport sector

2

ENERGY EFFICIENCY

delivered across all economic sectors to substantially lower energy intensity

4

BIOSEQUESTRAION AND OTHER EMISSIONS REDUCTION ACTIVITIES

including reducing waste to landfill and adopting lower emissions practices within the supply chain

*as discussed in ClimateWorks Australia research

CEFC-FINANCED EMISSIONS REDUCTION

In the reporting year to 30 June 2018, we directly committed to 39 transactions, up from 36 direct investments in 2016-17. Total new CEFC commitments in 2017-18 were \$2.3 billion, up from \$2.1 billion in the previous year, targeting annual cuts to greenhouse gas emissions of more than 3 million tonnes of CO₂-e.

Taking into account our full portfolio of investment commitments since 2013, we are forecasting lifetime cuts to greenhouse gas emissions of more than 190 million tonnes of CO₂-e, once funds are deployed and projects are fully operational. *We do not claim that abatement associated with our investment commitments occurs independently of complementary government policies such as the Renewable Energy Target.*

SINCE INCEPTION

Annual cuts to greenhouse gas emissions

~10.8M tCO₂-e

SINCE INCEPTION

Lifetime cuts to greenhouse gas emissions

~190M tCO₂-e

During the 2017-18 year, we made substantial investment commitments in agribusiness, infrastructure, transport and property funds and projects, reflecting our broad role in catalysing additional private sector investment to reduce the carbon intensity of the economy.

While an organisation of our size cannot directly influence the emissions and energy profile of every asset in the economy, in 2017-18 we stepped up our engagement with industry leaders, providing finance for market-leading exemplar projects which have the added benefit of providing practical insights for others to adopt.

We made substantial investment commitments in agribusiness, infrastructure, transport and property funds, with our commitments characterised by accelerated emissions reduction targets, higher technology and construction standards, and the creation of new mechanisms to share insights and performance with other asset owners and operators. Through these investments we seek to encourage best-in-class approaches to accelerating the achievement of lower emissions, reflecting a strong commitment to emissions reduction and a long-term approach investment to embed clean energy technologies across large and complex portfolios.

2017-18 YEAR IN REVIEW

39
TRANSACTIONS

\$2.3B
NEW COMMITMENTS

\$6.7B
TOTAL PROJECT VALUE

Every \$1 of CEFC finance matched by an additional \$1.80 from the private sector

USE OF TRADEMARK

Table 8:

TRADE MARK REGISTER

WHERE USED LOGO TYPE

PDS 2017	Government Certified organisation
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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.