



# **PUBLIC DISCLOSURE STATEMENT**

**BUSINESS NAME: AGL ENERGY LTD**

**PRODUCT CERTIFICATION  
CY2020**

Australian Government  
**Climate Active**  
**Public Disclosure Statement**



**NAME OF CERTIFIED ENTITY: AGL ENERGY LTD**

**REPORTING PERIOD:** 1 January 2020 – 31 December 2020

**Declaration**

To the best of my knowledge, the information provided in this Public Disclosure Statement is true and correct and meets the requirements of the Climate Active Carbon Neutral Standard.

Signature:

Date: 23/09/2021

Name of Signatory: Jo Egan

Position of Signatory: General Manager, Product & Portfolio Customer Markets



**Australian Government**  
**Department of Industry, Science,**  
**Energy and Resources**

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Version number February 2021



# 1. CARBON NEUTRAL INFORMATION

## Description of certification

This public disclosure statement supports the carbon neutral product certification for gas sold by AGL Energy Limited. This includes the Life Cycle Assessment and quantification of Scope 1, 2 and 3 emissions boundaries.

The emissions reported here are for CY2020 which is the first year of certification.

AGL has launched a certified Carbon Neutral gas product to our residential, small business, and large commercial and industrial customers, as an optional opt-in offering starting from 25 November 2020.

On 10 May 2021, AGL reached a significant milestone in its support of customers looking for carbon neutral options, with more than 50,000 services now on AGL's certified carbon neutral electricity and gas products, across Australia.

*“Climate Active certification makes it easier for consumers to make a conscious decision to identify and choose electricity, gas and telecommunications products that are making a difference”*

### Scope

‘Gas product’ includes all gas sold by AGL and its subsidiaries, e.g. Perth Energy.

### Functional unit

Kilograms of carbon emissions (kgCO<sub>2</sub>-e) per year will be used as a quantifiable reference to the associated greenhouse gas emissions of a gas product.

## Organisation description

### About AGL Energy Limited

As at the date of this Public Disclosure Statement (PDS), **AGL Energy Limited** operates Australia's largest electricity generation portfolio, with an operated generation capacity of 11,080 MW (31 Dec 2020), which accounts for approximately 20% of the total generation capacity within Australia's National Electricity Market.

**AGL Energy Limited** delivers 4.5 million<sup>1</sup> gas, electricity, and telecommunications services to our residential, small and large business, and wholesale customers across Australia. We are also the country's largest publicly-listed operator of renewable energy.

As a company, AGL is evolving to become a leading multi-product energy retailer across energy, data and

<sup>1</sup> Services to customers number is as at 31 December 2020 and includes Click Energy and 100% of approximately 300,000 services to customers of ActewAGL, in which AGL owns a 50% equity stake of the retail operations.

telecommunications.

**AGL Energy Limited** includes related corporate bodies such as:

- Data and Telecommunications providers, for which this certification relates includes **Southern Phone Company Limited**, which trades as **AGL Telecommunications** and as **Southern Phone Company** and sells telecommunications products under both brands.
  - **Southern Phone Company** is one of the largest providers of fixed line, mobile and Internet communications services in regional Australia. Formed in 2002 with a vision to provide regional communities with affordable telecommunications services, SPC now serves a national customer base, and provides more than 250 jobs across its head office in Moruya, New South Wales, and its Bendigo office in regional Victoria.
  - **AGL Telecommunications** launched its first telecommunications products, offering Internet services in November 2020, followed by mobile SIM plans in February 2021.
- New energy providers - **AGL Energy Services Pty Ltd** sells energy solutions to residential and business customers including solar, battery storage, stand-alone power systems, energy efficient lighting and Power Factor Correction. AGL Energy Services Pty Ltd operates in all Australian states and territories and offers an end-to-end design, project management and installation service for all energy solutions sold.
- Energy retailers – **AGL Sales Pty Limited; AGL South Australia Pty Limited; AGL Retail Energy Limited (“AGL energy retail entities”)**, **Powerdirect Pty Ltd, Perth Energy Pty Ltd**
  - **AGL energy retail entities** provides gas and electricity services to residential and business customers across New South Wales, Victoria, South Australia, Queensland and Western Australia. Offering a range of energy plans to suit varying preferences, customers can sign up to our products and services via our digital channels (AGL Website, AGL App, My Account) or by calling the AGL Contact Centre.
  - **Powerdirect Pty Ltd** provides electricity services in Adelaide, New South Wales, South East Queensland, and Victoria.
  - **Perth Energy** operates contestable gas and electricity customers connected to the Western Power and ATCO gas networks in Western Australia including regional areas such as Albany, Geraldton and Kalgoorlie.

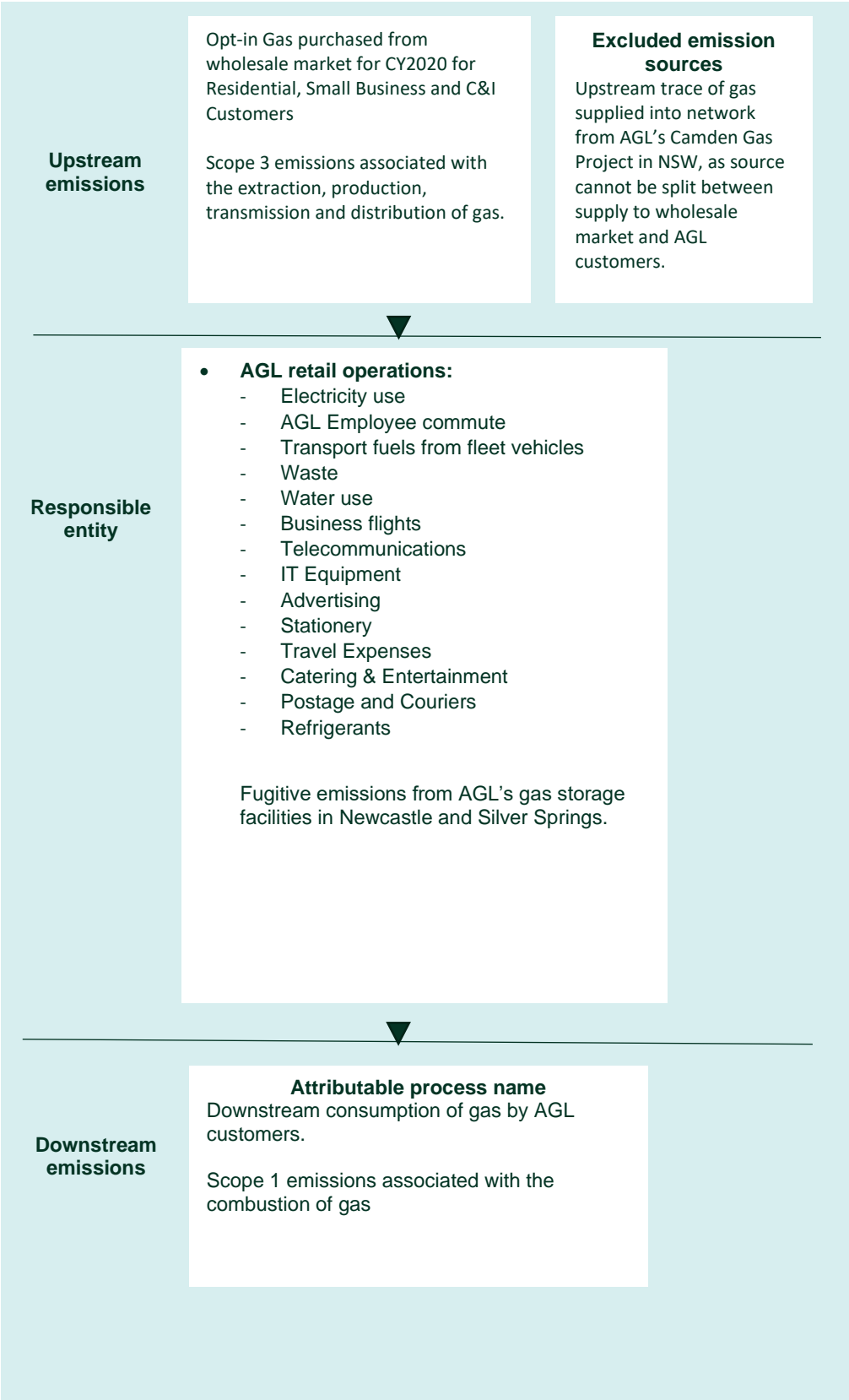
On 30 March 2021, AGL Energy Limited [announced](#) its plans to pursue a structural separation, by creating two new energy businesses focused on executing distinct strategies. One will be a leading multi-product energy retailer, and the other will focus on electricity generation, supporting the economy as the energy market evolves.

On 9 March 2021, AGL also [announced](#) it would acquire two of Australia’s largest commercial solar businesses, **Epho** and **Solgen Energy Group** (from Anchorage Capital Partners), both market leading commercial and industrial solar businesses.

Further detail on the separation and acquisition progress will be announced throughout 2021.

### Product/service process diagram

The following diagram is cradle to gate





### **Attributable non-quantified sources**

- Not applicable

### **Data management plan**

- Not applicable

### **Excluded sources (within certification boundary)**

- Upstream trace of gas supplied into network from AGL's Camden Gas Project in NSW, as source cannot be split between supply to wholesale market and AGL customers.

### **Non attributable sources (outside certification boundary)**

- Third party channels selling the product (AGL is servicing the client once signed on).

*“Climate Active certification makes it easier for consumers to make a conscious decision to identify and choose electricity, gas and telecommunications products that are making a difference”*

## 3. EMISSIONS SUMMARY

### Emissions reduction strategy

AGL is serious about our responsibility to provide sustainable, secure, reliable, and affordable energy. We have a proud heritage as the country's largest publicly-listed operator of renewable energy and operate some of Australia's largest solar and wind farms. We are also the custodians of some of the largest and oldest coal-fired power plants in Australia. As the electricity system changes, we are focused on developing flexible supply to support this transition.

In June 2020, AGL released its updated [Climate Statement](#). This Statement recognises that AGL cannot predict how the energy and political landscape may change, but that the forces of customer demand, how communities act, and how technology evolves will be the determining factors in the pace of energy transition in Australia.

The [Climate Statement](#) includes AGL's target to achieve net zero emissions by 2050 and outlines the next steps in AGL's decarbonisation journey, including commitments to:

1. Offer customers the option of carbon neutral products across all AGL products;
2. Support the evolution of Australia's voluntary carbon markets;
3. Continue to invest in new sources of electricity supply;
4. Responsibly transition AGL's energy portfolio; and
5. Be transparent.

Consistent with the first commitment in the [Climate Statement](#), AGL launched a new Carbon Neutral electricity product on 1 July 2020 and a Carbon Neutral gas product on 25 November 2020. This program will be expanded to offer carbon neutral across all AGL products by the end of FY21.

The commitment to build new generation continues AGL's strong track record of investing in renewables and the firming and storage capacity that will support the continued development of renewables. This has recently included AGL acting as co-investor, offtaker and operator in the Coopers Gap and Silverton wind farms, developing and operating the Barker Inlet gas-fired power station, and pursuing a leadership position in the development and operation of both grid-scale and residential batteries.

Additionally, from FY21 AGL introduced carbon transition metrics as a third performance measure in AGL's Long Term Incentive Plan to provide a focus for AGL executives to progress the transition. AGL has taken a market leading position in this regard, being the first ASX50 organisation to link executive long-term variable pay to climate-related goals.

These initiatives are in addition to AGL's 2015 Greenhouse Gas Policy, which committed AGL to not extend the life of its coal-fired power plants. AGL's coal-fired power stations at Bayswater and Loy Yang A ensure energy reliability and security and provide AGL with the financial strength to progress the energy transition. AGL is committed to not extending the life of these coal fired power stations and closing them by no later than 2035 and 2048 respectively. As these assets age and reach the end of their technical life, AGL will continue to run them responsibly and safely to supply affordable and reliable electricity to its customers. AGL will also support our people and local communities through change and remain flexible to how customers,



community and technology shape the pace of the energy transition.

AGL is a leader in the transition to decarbonisation in Australia with four FY24 targets (as provided in the Annual Report 2020):

- 850 MW grid scale batteries installed and managed (up from 30MW)
- 34% of electricity capacity from renewables and clean storage (up from 22%)
- 20% of total revenue from green energy and carbon neutral products (up from 11.5%)
- 350 MW decentralised assets under orchestration (up from 72MW)

## Functional units

**Table 1**

	Number of functional units
<i>Number of functional units sold this period</i>	1010

## Emissions summary (inventory)

**Table 2**

Emission source category	tonnes CO <sub>2</sub> -e
Total GAS Sold as Carbon Neutral	60.44
Organisation component	5.28
1. Total inventory emissions	65.71
a. Number of functional units represented by the inventory emissions	1010
2. Emissions per functional unit (based on the number of functional units represented by the inventory) <i>Total tCO<sub>2</sub>-e divided by the number of functional units in 1a.</i>	0.06506
3. Carbon footprint <i>(Emissions per functional unit (2)* number of functional units (from table 1))</i>	65.71

## Uplift factors

n/a

**Table 4**

## Carbon neutral products

n/a

## 4. CARBON OFFSETS

### Offsets strategy

#### Offset purchasing strategy: In arrears

1. Total offsets previously forward purchased and banked for this report	701
2. Total emissions liability to offset for this report	66
3. Net offset balance for this reporting period	66
4. Total credits for the next reporting period	635
5. Total offsets required for this report	66

### Co-benefits

Not all carbon offset units are created equal. There's a wide range of carbon offsets that differ in source, methodology, and price. AGL undertake a rigorous selection process when it comes to the carbon offsets we purchase. The eligible carbon offsets we buy meet the Carbon Neutral Standard integrity requirements set by Climate Active.

There are many different offset methodologies. Some include reforestation, renewable energy, or energy efficiency projects that generate eligible carbon offsets; projects that involve the destruction of certain industrial gases; and projects that involve the capture and destruction of methane from landfills and certain agricultural activities. Many of these projects also provide additional positive environmental and social benefits.

We know that balancing quality and affordability is important to our customers, so we only purchase eligible carbon offsets that meet the integrity requirements under the Climate Active Carbon Neutral Standard, which is backed by the Australian Government.

#### Carbon offsets we've pre-purchased

We believe that the projects we've chosen will make a real difference. Initially, our pre-purchase obligations have been secured with certificates for the following projects:

#### Carbon Conscious Capture Project 1 in Western Australia

AGL has pre-purchased and retired Australian Carbon Credit Units (ACCUs) from the Carbon Conscious

Capture Project 1, developed by Carbon Conscious Investments Ltd (Carbon Conscious), a member of the Carbon Market Institute and a foundation signatory of the Australian Carbon Industry Code of Conduct.

Carbon Conscious' reforestation of 5,700 hectares of land in Western Australia, sequesters carbon from the atmosphere following the plantation of more than six million native trees on land previously cleared for dryland cropping and grazing.

This region is recognised as significantly over-cleared, and the reforestation is providing protective habitat for native flora and fauna, reducing wind and water erosion and in some cases reducing soil salinity, as well as providing a useful environment for sheep and honey bees.

### **BURN Stoves Project in Kenya**

AGL has pre-purchased and retired Gold Standard Verified Emissions Reductions (GSVERs) from the BURN Stoves Project, developed by ClimateCare Limited, who have pioneered carbon finance for community development projects and delivered some of the largest carbon offsetting programs in the world.

The project directly addresses several certified Sustainable Development Goal (SDG) impacts: 1, No Poverty; 3, Good Health and Wellbeing; 8, Decent Work and Economic Growth; and 13, Climate Action.

The BURN Stoves Project provides communities with an efficient cookstove that benefits the environment, creates employment opportunities, promotes business and infrastructure development, and provides cleaner, more efficient cooking options.

The stoves are manufactured at a solar powered factory in Nairobi, which employs more than 100 people. It is important to note that 80% of Kenya's primary household energy still comes from solid fuel. The majority of this is burnt on smoky open fires and inefficient cookstoves, leading to indoor air pollution causing respiratory disease, and contributing to global climate change.

The stoves sold by the project use 45% less charcoal – meaning families can recover the initial outlay within two to three months of purchase and then save up to \$300 in fuel costs every year.

## Offsets summary

### Proof of cancellation of offset units

Offsets cancelled for Climate Active Carbon Neutral Certification										
Project description	Type of offset units	Registry	Date retired	Serial number (and hyperlink to registry transaction record)	Vintage	Eligible Quantity (TCO <sub>2</sub> -e)	Quantity used for previous reporting periods	Quantity banked for future reporting periods	Quantity used for this reporting period claim	Percentage of total retired (%)
Carbon Conscious Carbon Capture Project 1	ACCUs	ANREU	1 October 2020	<a href="#">3,791,540,724 – 3,791,540,973</a>	2019-20	250	0	0	250	36%
Burn Stoves Project in Kenya (GS5642)	VERs	GSF Registry	1 October 2020	<a href="#">GS1-1-KE-GS5642-16-2017-19155028481-28931</a>	2017	451	0	0	451	64%
<b>Total offsets retired this report and used in this report</b>									66	
<b>Total offsets retired this report and banked for future reports</b>									635	

Type of offset units	Quantity (used for this reporting period claim)	Percentage of Total
Australian Carbon Credit Units (ACCUs)	25	38%
Verified Emissions Reductions (VERs)	41	62%

Type of offset units	Quantity (banked for next reporting period claim)
Australian Carbon Credit Units (ACCUs)	225
Verified Emissions Reductions (VERs)	410

## 5. USE OF TRADE MARK

Table 7

Description where trademark used	Logo type
Carbon Neutral landing page on AGL website	Certified product
Carbon Neutral customer communications	Certified product
Carbon Neutral landing page on Perth Energy website	Certified product

## 6. ADDITIONAL INFORMATION

# APPENDIX 1

## Non-attributable emissions for products and services

To be deemed attributable an emission must meet two of the five relevance criteria. Non-attributable emissions are detailed below against each of the five criteria.

**Table 8**

Relevance test					
Non-attributable emission	<i>The emissions from a particular source are likely to be large relative to the organisation's electricity, stationary energy and fuel emissions</i>	<i>The emissions from a particular source contribute to the organisation's greenhouse gas risk exposure.</i>	<i>Key stakeholders deem the emissions from a particular source are relevant.</i>	<i>The responsible entity has the potential to influence the reduction of emissions from a particular source.</i>	<i>The emissions are from outsourced activities previously undertaken within the organisation's boundary, or from outsourced activities typically undertaken within the boundary for comparable organisations.</i>
Third party channels selling the product (AGL is servicing the client once signed on).	No	No	No	No	No

## APPENDIX 2

### Non-quantified emissions for products/services

Please advise which of the reasons applies to each of your non-quantified emissions. You may add rows if required.

**Table 9**

Non-quantification test				
Relevant-non-quantified emission sources	<i>Immaterial &lt;1% for individual items and no more than 5% collectively</i>	<i>Quantification is not cost effective relative to the size of the emission but uplift applied.</i>	<i>Data unavailable but uplift applied. A data management plan must be put in place to provide data within 5 years.</i>	<i>Initial emissions non-quantified but repairs and replacements quantified</i>

n/a



An Australian Government Initiative

