



PUBLIC DISCLOSURE STATEMENT

OVO ENERGY

PRODUCT
CERTIFICATION
(TRUE-UP REPORT)
CY2020

Australian Government
Climate Active
Public Disclosure Statement



An Australian Government Initiative



NAME OF CERTIFIED ENTITY: OVO Energy Pty 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: 02/12/2021

Name of Signatory: Mark Yemm

Position of Signatory: CEO & MD



Australian Government
Department of Industry, Science,
Energy and Resources

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1. CARBON NEUTRAL INFORMATION

Description of certification

This PDS relates specifically to OVO Energy's electricity 'Product' that is created by OVO Energy when it buys electricity from the National Electricity Market (NEM) and on-sells that electricity to its retail customers under the OVO Energy brand.

It is this Product which is accredited under the Climate Active Carbon Neutral Program. Further information about OVO Energy can be found at www.ovenergy.com.au.

The assessment is based on total electricity sold to OVO Energy customers for the period – taking into account the full calendar year of 2020. The life cycle assessment approach is cradle to grave, considering all elements of the supply chain, as itemised in the emissions boundary diagram below.

The functional unit is 1 kWh of electricity provided to the end consumer. OVO Energy's carbon neutral electricity is a full coverage product; a customer is not required to opt-in to receive it.

“Climate change affects us all – regardless of where we live, what we do for a living or what we believe. Working with Climate Active we want to help deliver a carbon zero future for Australian energy consumers”

Organisation description

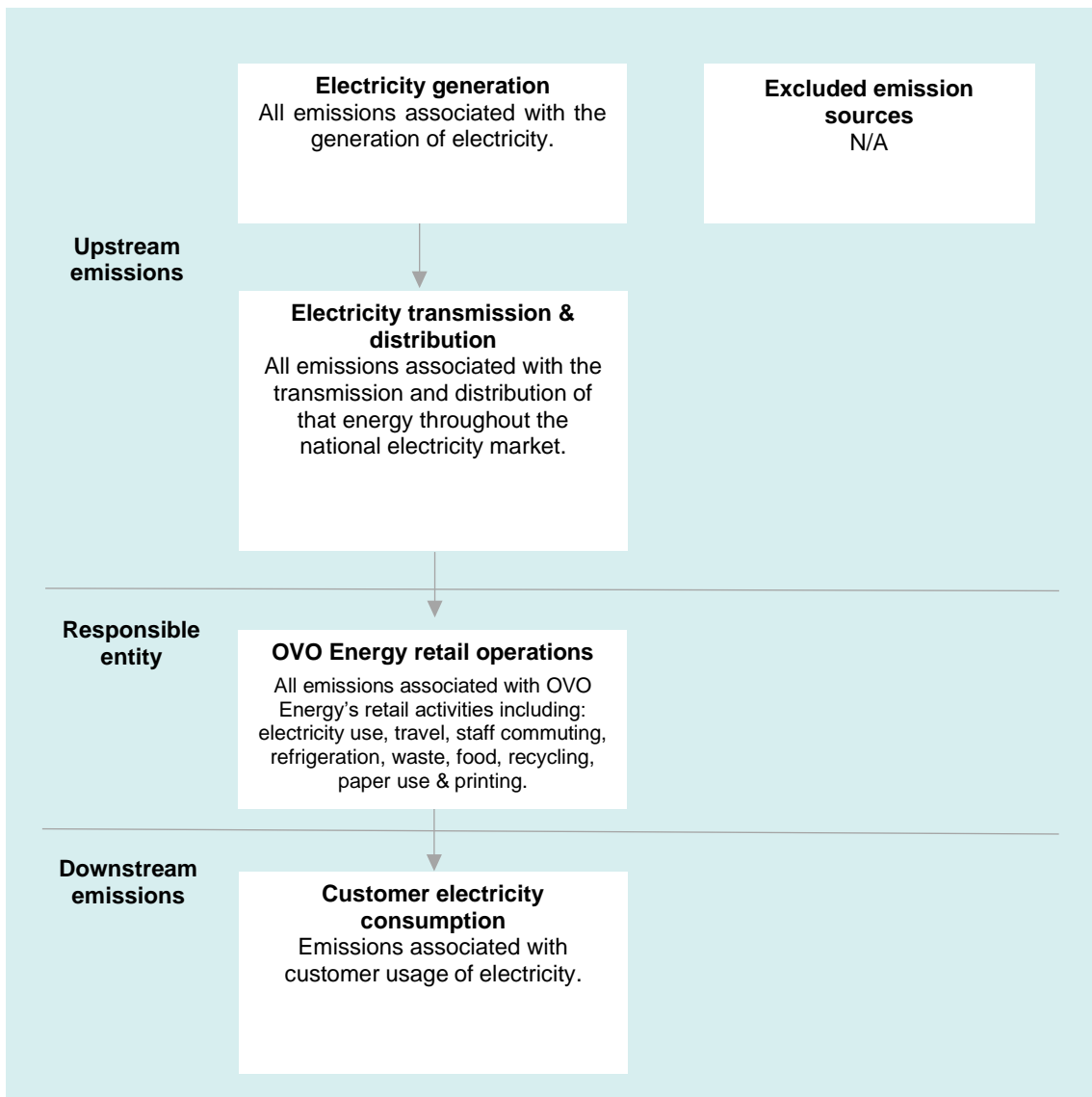
OVO Energy (ABN 99 623 475 089) is an Australian-based residential energy retailer that commenced trading to the public on 19th December 2019. OVO Energy now retails electricity to customers in NSW, QLD, SA and VIC.

OVO Energy has a proven track record in the UK, where it currently retails electricity and gas to over 5 million households. OVO also holds electricity licences in Spain and France, where it has recently launched retail businesses.

OVO Energy is working to increase the amount of renewable energy in the Australian national electricity market and ensuring its customers go carbon neutral with their energy. This is something that, as a Group of companies, we're committed to. More information on our plan to be Carbon Neutral throughout all of our business by 2030 is available at www.ovo.com.

Product process diagram

The following diagram is cradle to grave:

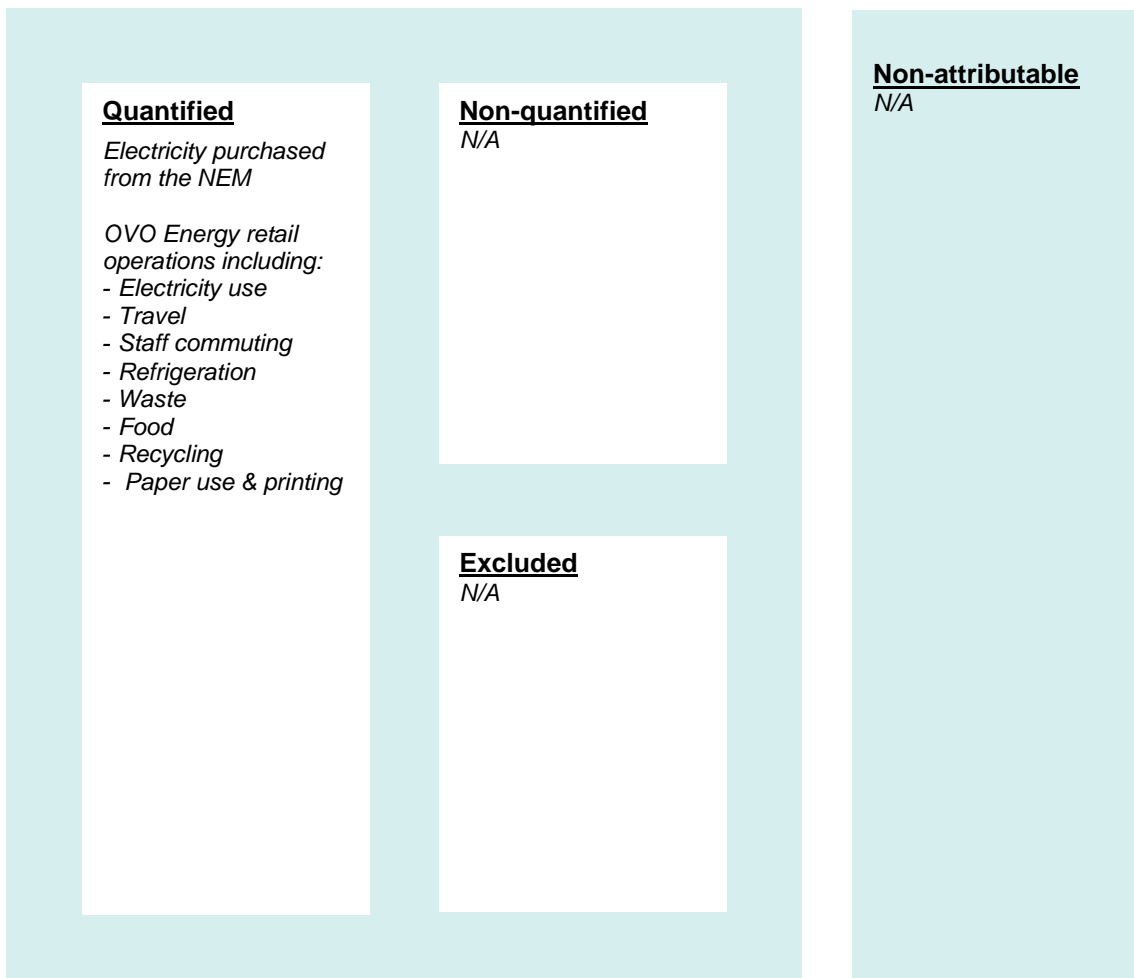


2. EMISSION BOUNDARY

Diagram of the certification boundary

OVO Energy retails electricity bought from the National Electricity Market (NEM) to end user customers in New South Wales, Queensland, South Australia and Victoria.

The diagram below represents a greenhouse gas emissions boundary consistent with the requisite life cycle assessment (LCA) approach for a final electricity product consumed by an end-user. The boundary of OVO Energy’s electricity product incorporates GHG emissions associated with the extraction, production and transport of fuels, the electricity generation, the transmission and distribution to OVO Energy customers, and all emissions related to our activities as an organisation.



Attributable non-quantified sources

All attributable processes and emissions sources within the certification boundary are identified above and include all Scope 2 and Scope 3 emissions associated with the generation, distribution, sale and supply of electricity to our customers, throughout the Eastern States of Australia. There are no non-quantified attributable sources.

Data management plan

N/A

Excluded sources (within certification boundary)

All emission sources within the certification boundary have been identified and considered.

Non attributable sources (outside certification boundary)

N/A

“It is hard for people to know how to take impactful actions to address the challenge of Climate Change. Working with Climate Active, we’re making it simpler for our customers to make a big difference.”

3.EMISSIONS SUMMARY

Emissions reduction strategy

Since this will be OVO Energy's first year of measurement and reporting, we do not expect to implement an emissions reduction strategy. However, we are constantly looking for ways to optimise and reduce our energy consumption as a business, and also find innovative ways to help our customers reduce their own emissions. We therefore expect to encourage reductions through:

- Our online portal (MyOVO) which is available free of charge to all customers and allows them to easily track their electricity usage, carbon footprint for electricity, and to make informed decisions in order to reduce their electricity consumption - and therefore reduce emissions.
- A smartphone application - which will provide the same functionality as mentioned above, through a dedicated smartphone app available on both iOS and Android.
- Offering other electricity retail adjacent devices and services (e.g. solar panels, batteries, EVs etc.) to help customers reduce their own electricity demand.
- Actively encourage all personnel to be aware of their actions, and wherever possible or appropriate curb their emissions.

True up information

True up of total net emissions

1) Projected emissions for reporting period	5,967 t CO ₂ -e
2) Actual emissions for reporting period	4,994 t CO ₂ -e
3) Difference	973 t CO ₂ -e

Emissions over time

Since this is our first year of measurement and reporting, we have no measurement of emissions over time.

Functional units

Table 1

	Number of functional units
a) Number of functional units sold this period	5,872,076

Emissions summary (inventory)

Table 2

Emissions Summary			
Scope	Emission source	Projected emissions tonnes CO ₂ -e	Actual emissions tonnes CO ₂ -e
2	OVO Energy retail related emissions at 120 Spencer Street, Melbourne, VIC premises (including electricity consumption, paper usage, waste, travel etc.). Forecast for 2021.	741	698
2	OVO Energy retail related emissions whilst working from home from March 2020; using the Energetics working from home calculator provided by Climate Active.	0	-1
2	OVO Energy Electricity Product, total electricity consumed in NSW was 2,381,979 kWh. Of which, the total residual fuel mix (after all renewables were discounted) was 1,566,092 kWh. t CO ₂ -e is calculated utilising the residual fuel mix factor of 1.08.	1,925	1,691
2	OVO Energy Electricity Product, total electricity consumed in Queensland was 2,115,801 kWh. Of which, the total residual fuel mix (after all renewables were discounted) was 1,256,203 kWh. t CO ₂ -e is calculated utilising the residual fuel mix factor of 1.08.	1,718	1,357
2	OVO Energy Electricity Product, total electricity consumed in South Australia was 640,101 kWh. Of which, the total residual fuel mix (after all renewables were discounted) was 319,753 kWh. t CO ₂ -e is calculated utilising the residual fuel mix factor of 1.08.	275	345
2	OVO Energy Electricity Product, total electricity consumed in Victoria was 734,195 kWh. Of which, the total residual fuel mix (after all renewables were discounted) was 272,632 kWh. t CO ₂ -e is calculated utilising the residual fuel mix factor of 1.08.	724	294
3	OVO Energy Electricity Product, total electricity transported and distributed in NSW was 2,381,979 kWh. t CO ₂ -e is calculated utilising the NGA GHG emission factor of 0.09.	214	214
3	OVO Energy Electricity Product, total electricity transported and distributed in Queensland was 2,115,801 kWh. t CO ₂ -e is calculated utilising the NGA GHG emission factor of 0.12.	255	254
3	OVO Energy Electricity Product, total electricity transported and distributed in South Australia was 640,101 kWh. t CO ₂ -e is calculated utilising the NGA GHG emission factor of 0.09.	57	58
3	OVO Energy Electricity Product, total electricity transported and distributed in Victoria was 734,195 kWh. t CO ₂ -e is calculated utilising the NGA GHG emission factor of 0.11.	81	81
Total inventory emissions		5,990	4,992
Net emissions per functional unit		0.0010	0.0009
Carbon footprint		5,990	4,992

Actual emissions for the first year of certification; forms OVO Energy's base year of assessment; this includes customer related emissions and those relating to our own retail activities.

Uplift factors

Table 3

Reason for uplift factor.	tonnes CO ₂ -e
5% to account for immaterial items	2
<i>Total uplift factors</i>	2
<i>Total to offset</i> (Carbon footprint + total uplift factors)	4,994

Carbon neutral products

N/A

4. CARBON OFFSETS

Offset purchasing strategy: In arrears

The offset purchasing strategy has now moved from forward purchasing to in arrears.

OVO Energy will utilise Verified Carbon Units (VCU) under the Verified Carbon Standard or other comparable programs for offsetting all forecast Scope 2 and Scope 3 emissions associated with the OVO Energy carbon neutral electricity product. These certificates are purchased and retired. Excess offsets that have been surrendered for this reporting period will be banked for future use. Only Climate Active eligible carbon offsets will be used in these activities.

Table 4

Arrears purchasing summary	
1. Total offsets previously forward purchased for this reporting period	6,000
2. Total offsets required for this reporting period	4,994
3. Net offset balance for this reporting period	-1,006
4. Total offsets to be forward purchased for next reporting period	Zero

Offsets summary

Table 5

1. Total offsets required for this report		4,994							
2. Offsets retired in previous reports and used in this report		4,994							
3. Net offsets required for this report		0							
Project description	Eligible offset units type	Registry unit retired in	Date retired	Serial number (including hyperlink to registry transaction record)	Vintage	Quantity (tonnes CO2-e)	Quantity used for previous report	Quantity banked for future years	Quantity used this report
Kornburi Wastewater Treatment with Biogas Production (UASB) and Heat Utilization at General Starch Co Ltd	VCUs	VERRA	02/11/2020	8924-54218392-54223191-VCS-VCU-291-VER-TH-13-82-01012014-31122014-0 https://registry.verra.org/myModule/rpt/myrpt.asp?r=206&h=121221	2013 - 2014	6,000	0	1,006	4,994
				8925-54223192-54224391-VCS-VCU-291-VER-TH-13-82-01012013-31122013-0 https://registry.verra.org/myModule/rpt/myrpt.asp?r=206&h=121222					
<i>Total offsets retired this report and used in this report</i>								-	4,994
<i>Total offsets retired this report and banked for future reports</i>								1,006	-

5. USE OF TRADEMARK

OVO Energy will use the Climate Active trademark across a number of different marketing and communication channels. Use of the Climate Active trademark will be captured in a register. This register is maintained by OVO Energy's marketing team; expected use of the trademark is listed below:

Table 6

Description where trademark used	Logo type
Website - Home page	Certified product
Website - Our plan(s) page	Certified product
Website – Sustainability information page	Certified product
FAQs page - About Carbon Neutral	Certified product + short blurb about Climate Active
Customer account (online)	Certified product + short blurb about Climate Active
Customer account (smartphone app)	Certified product + short blurb about Climate Active
Digital marketing	Certified product for use in banner advertising, along with short blurb for PPC advertising.

6. ADDITIONAL INFORMATION

True up reporting changes

1. Offset purchasing strategy updated from *forward purchasing* to *in arrears*;
2. Retained the forecast electricity use of the office, even though it was not occupied for 9 months of the year. However, staff commuting was reduced from 260 days to 54 days, to reflect the change to working from home, and the impacts of the Covid-19 pandemic
3. An increase in energy use associated with employees working from home – as per the working from home calculator – however, a calculated net negative effect due to the forecast reduction in commuting.
4. A reduction to zero for International flights that were not taken during the reporting period; and,
5. A change from location-based reporting for customer energy consumption, to a market-based approach, in order to better account for the contribution of Renewable Energy Target (RET), GreenPower and Solar generation from OVO customers.

With regards to gaining a clear picture of electricity units sold to end customers, at the end of this period (31st December 2020) the actual amount of electricity supplied to end-customers was derived from invoices received from the Australian Energy Market Operator (AEMO), representing what was actually bought and delivered to customers over that time frame.

OVO Energy also accurately reports on emissions relating to its organisation, in the process of retailing electricity to customers (i.e. emissions relating to OVO employees and premises).

OVO Energy lowered the total carbon footprint associated with the above to zero by the voluntary surrender of Verified Carbon Units (VCU) under the Verified Carbon Standard.

The emissions from the electricity purchased by OVO Energy and sold to customers are categorised as:

- **Scope 2** - Indirect GHG emissions: The release of greenhouse gas as a result of electricity generation, heating, cooling or steam - that is consumed by a facility.
- **Scope 3** - Indirect GHG emissions: Emissions are all indirect emissions that occur as a consequence of the activities of the organisation but occur from sources not owned or controlled by the organisation.

The functional unit is 1 kWh of electricity to the consumer. The tCO₂-e / kWh produced by the sale of this electricity has been calculated by:

1. Taking the total volume (kWh) of electricity supplied to customers in each state (NSW, QLD, VIC and SA), based on AEMO invoices;
2. OVO Energy's standard market offer is a 10% GreenPower accredited tariff and so there is a forecast of 10% GreenPower offset. LGCs will be retired in line with the requirements of the GreenPower scheme.
3. OVO Energy also offers a 100% GreenPower tariff, for which LGCs were retired in line with the requirements of the GreenPower scheme.
4. Scope 2 emissions were calculated by multiplying the electricity volume (kWh) by the relevant Emission Factors for each state as shown in the NGA Factors (also provided in this document);
5. Scope 3 emissions were then calculated by multiplying the electricity volume (kWh) by the relevant Emission Factors for each state as shown in the NGA Factors (also provided in this document);
6. The sum of these multiplications is the total of tCO₂-e for the OVO Energy's electricity product sold to customers in 2020;
7. OVO Energy also calculated its organisational carbon emissions - these are all emissions related to its activities as an energy retailer, and includes electricity usage within its offices, paper usage, waste to landfill, recycling, postage, business travel (etc.). Given the unforeseen circumstances relating to the global pandemic, for 9 months of 2020, OVO Energy employees were required to work from home. The methodology for calculating emissions associated with this was provided by Climate Active. These are then calculated against the corresponding and relevant Scope 2 and Scope 3 emissions values;
8. An uplift factor of 5% was added to the total emissions calculated, to cater for any immaterial items that may not have been attributed appropriately;
9. Verified Carbon Units (VCU) - under the Verified Carbon Standard program or other comparable programs - were then bought and surrendered to offset the tCO₂-e impact for OVO Energy's retail activities and customer-related emissions;

The NGA Factors continue to be an appropriate source for carbon emission calculation because:

- NGA is listed as an appropriate source under Climate Active Programme;
- The NGA and the Climate Active team are both part of the Department of Industry, Science, Energy and Resources;
- NGA calculates the emissions associated with the production, distribution and consumption of electricity; and
- The methods used to generate the emission factors are consistent with international guidelines and are subject to international expert review each year.

The following tables are a copy of the relevant sections that set out emissions factors in the NGA Factors document for Scope 2 emissions.

State or territory emission factor	kg CO ₂ -e/kWh
New South Wales	0.81
South Australia	0.43
Queensland	0.81
Victoria	0.98

NGA Factors (Scope 2) emission factors for consumption of purchased electricity or loss of electricity from the grid – Table 5, National Greenhouse Accounts Factors Australian National Greenhouse Accounts October 2020

Scope 3 emission factors for transmission and distribution network operators are lower as they include only emissions attributable to the extraction, production and transport of fuels and not emissions attributable to the electricity lost in transmission and distribution networks. Transmission and distribution network operators should use the scope 2 factors in the table above and the following latest estimate scope 3 factors:

State or territory emission factor	kg CO ₂ -e/kWh
New South Wales / ACT	0.09
South Australia	0.09
Queensland	0.12

Victoria	0.11
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NGA Factors (Scope 3) emission factors for emissions associated with the transmission and distribution of electricity from the grid – Table 44, National Greenhouse Accounts Factors Australian National Greenhouse Accounts October 2020