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Australian Government

Department of Climate Change, Energy, the Environment and Water

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ACCU Scheme proposed new Savanna Fire Management Methods

AGL Energy (AGL) welcomes the opportunity to provide feedback to the Department of Climate Change, Energy, the Environment and Water (DCCEEW)'s ACCU Scheme Savanna Fire Management Methods Consultation.

AGL recognises the important role that the ACCU Scheme has in achieving Australia's legislated emissions reduction targets of 43 per cent below 2005 levels by 2030, 62-70 per cent below 2005 levels by 2035, and net zero by 2050. Australian carbon credit units (ACCU), together with other units that represent abatement or emissions reductions efforts¹, will remain an integral part of reaching net zero commitments.

AGL has provided feedback to several consultations on the ACCU Scheme, highlighting the importance that the scheme is of high integrity to instil confidence amongst market participants and the wider public. In our submission to the ACCU Review in 2023, we broadly supported the proposed ACCU Scheme Principles to guide and support the application of the existing Offsets Integrity Standards (OIS)². We view additionality and newness in the ACCU Scheme as crucial for scheme integrity and broadly support reforms that improve transparency and confidence in the scheme.

AGL supports regular review and development of ACCU methodologies in alignment with the latest science to improve emissions reporting accuracy and scheme integrity. We acknowledge DCCEEW's notion that existing avoidance projects moving to new sequestration methods, and committing to permanence obligations, could meet OIS additionality requirements as currently they have no permanence obligation and so without scheme incentives, accumulated carbon to date could be lost.

However, we hold concerns around the proposed transitioning of existing projects to the new methods, particularly the permitted back-crediting of ACCUs for activities that have taken place in the past, and question whether this meets additionality requirements of the OIS. We believe this could have unintended consequences for the ACCU market as well as decarbonisation efforts, and could potentially set a precedent for other new ACCU methods looking to back-credit for past activities.

Some potential risks we would like to highlight include:

- Concerns around offset integrity of the methodologies, and for the ACCU scheme as a whole, with back-crediting likely being perceived as low additionality.
- The potential significant uplift in ACCU issuance, which could also be exacerbated should back-crediting occur, could have negative impacts on the market, impacting methodologies that have higher cost of entry, and future market supply as a result.

¹ For example, small-scale technology certificates (STCs), large-scale generation certificates (LGCs), energy savings certificates (ESCs), Victorian energy efficiency certificates (VEECs)

² See: [AGL's submission](#) to the 2023 ACCU Review consultation



- An influx of additional ACCUs could lower certificate prices and undermine signals for industrial decarbonisation, with safeguard facilities potentially favouring cheaper ACCUs over direct emissions reductions, which could have broader implications for Australia's decarbonisation efforts.

While we support improvements to ACCU methodologies to better account for carbon avoided or removed, and support the ability of projects to transfer to these improved methodologies, we suggest that back-crediting should not be permitted. This would help preserve scheme integrity, ensure alignment with additionality principles, and maintain a credible signal for future abatement.

Should you have any questions in relation to this submission, please contact Casey Barkla-Jones at cbarkla@agl.com.au.

Yours sincerely,

AGL Energy

About AGL

At AGL, we believe energy makes life better and are passionate about powering Australian life. Proudly Australian since 1837, AGL delivers around 4.6 million³ gas, electricity, and telecommunications services to our residential, small and large business, and wholesale customers across Australia. AGL operates Australia's largest private electricity generation portfolio within the National Electricity Market, comprising coal and gas-fired generation, renewable energy sources such as wind and hydro, and batteries and other firming and storage technology. We are building on our history as one of Australia's leading private investors in renewable energy to be a leader in the transition to a lower emissions and smart energy future in line with the goals of our Climate Transition Action Plan. We'll continue to innovate in energy and other services to enhance the way Australians live, move and work.

³ Refer to AGL's [ESG Data Centre FY25](#)