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Australian Government

Department of Climate Change, Energy, the Environment and Water

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ACCU Scheme and NGER Act legislative amendments

AGL Energy (**AGL**) welcomes the opportunity to provide feedback to the *Carbon Credits and Other Legislation Amendment (Integrity and Transparency) Bill Consultation* (**Consultation Paper**).

AGL recognises the important role of the Australian Carbon Credit Unit (**ACCU**) Scheme in supporting achievement of Australia's legislated emissions reduction targets – 43% below 2005 levels by 2030, 62-70% below 2005 levels by 2035, and net zero by 2050. Consistent with best-practice climate policy, direct emissions reductions should remain the primary focus. However, high-integrity offsets, including ACCUs, will play a role in addressing residual emissions that cannot reasonably be avoided.

Businesses, governments and consumers are increasingly engaged in the energy transition and seeking opportunities to reduce emissions. AGL supports adherence to the mitigation hierarchy, whereby emissions are avoided or reduced where possible before the use of offsets. It is important that organisations not only set clear goals for emissions reduction, but that they also have a clear plan to achieve these.

AGL has consistently supported reforms that strengthen the integrity, transparency and credibility of the ACCU Scheme. Enhancements such as expanded data publication, stronger compliance frameworks and clearer reporting requirements help build market confidence and ensure emissions reduction activities deliver genuine decarbonisation outcomes.

While AGL supports many of the proposed reforms, some measures may introduce challenges that could have unintended implications for project viability. We encourage the Government to consider these issues further and provide additional guidance to support carbon project proponents.

Enhanced transparency, compliance and scheme administration

AGL welcomes changes implemented by the Australian Government to-date to streamline scheme administration and improve scheme transparency and integrity.

We strongly support further reforms that enhance market confidence, including:

- Expanded publication of project and scheme data
- Stronger compliance and enforcement powers
- Improved mechanisms to address over-crediting
- Clearer and streamlined reporting and monitoring frameworks

AGL supports the proposed increase in data disclosure and visibility of scheme performance, as well as efforts to simplify ACCU scheme processes and improve administrative efficiency. We also support enhancements to NGER reporting transparency and alignment with carbon markets, noting that any material changes to reporting requirements should be subject to appropriate consultation with industry prior to implementation.

Stronger governance and integrity controls

AGL welcomes strengthened governance provisions in the ACCU scheme, including the establishment of the Carbon Abatement Integrity Committee (CAIC) to replace the Emissions Reduction Assurance Committee (ERAC). The ERAC has played an important role in development of ACCU methods, and its evolution into the CAIC is expected to further strengthen governance and oversight. We would welcome increased transparency around committee appointments and emphasise the importance of diverse expertise and adequate resourcing.

AGL recognises the intent of the proposed Integrity Risk Method Declarations (IRMDs) to safeguard scheme integrity. However, as currently framed, the mechanism may introduce increased uncertainty for project proponents, particularly where it could affect the ongoing crediting of existing projects.

In this context, AGL considers that further clarity would be beneficial around the thresholds and criteria for invoking IRMDs and processes that allow for appropriate stakeholder input and communication prior to implementation. Providing greater clarity would support the intended integrity outcomes while maintaining investment confidence and scheme stability.

Australian Government role in the ACCU market

AGL supports the proposal to move the responsibility for government purchasing of ACCUs from the Clean Energy Regulator (CER) to the department, to avoid potential conflicts of interest and better align policy and operational responsibilities.

AGL notes the proposed shift from a 'least cost abatement' framework to a broader 'value for money' approach. While acknowledging the intent, it will be important that government participation in the ACCU market remains predictable, transparent and limited to avoid unintended impacts on market dynamics or investment signals. Maintaining a clear and consistent purchasing framework will be important to support market liquidity and investment confidence.

Native Title and consent reforms

AGL supports the Government's objective to strengthen engagement with First Nations peoples and to align scheme settings with principles of free, prior and informed consent. As outlined in our Reconciliation Action Plan (RAP), we are committed to cultivating respectful, trusted and meaningful connections with First Nations communities, including working with First Nations businesses to support carbon initiatives.

AGL acknowledges that the proposed changes are intended to enhance participation and transparency in project development, including by recognising registered native title claimants (pre-determination). While we support the overall direction, the proposed approach represents a shift in how consent processes are undertaken, particularly where native title claims are unresolved.

In this context, there would be value in further implementation guidance, including:

- how consent processes are expected to operate where there are overlapping or competing claims
- expectations for engagement with claimants at different stages of determination
- approaches to support efficient consent processes while maintaining timely project delivery

Additional clarity on these matters would assist proponents in navigating consent processes and support consistent and effective implementation of the reforms.

AGL appreciates the opportunity to provide input to this consultation and supports the Government's focus on strengthening the integrity and credibility of the ACCU Scheme. We look forward to continued engagement with DCCEEW to ensure reforms achieve their intended objectives while supporting ongoing investment in high-integrity carbon projects.

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 million[1] 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.

[1] Refer to AGL's ESG Data Centre FY25