

National Carbon Offset Standard  
Carbon Neutral Program  
Public Disclosure Summary



An Australian Government Initiative



Powershop Australia Pty Ltd

## Public Disclosure Summary

Certification: Gas Product

Period: 1 May 2018 to 31 December 2018



**Australian Government**

**Department of the Environment**

## Summary

Meridian Energy Australia Pty Ltd (MEA) has a proud heritage of harnessing our earth's energy in generating affordable electricity through the Mt Millar and Mt Mercer wind farms, as well as the Hume, Burrinjuck and Keepit hydroelectric power stations. These assets combined generate approximately 874 GWh of electricity, enough to supply approximately 174,000<sup>1</sup> homes.

MEA's retail arm Powershop Australia Pty Ltd (Powershop) seeks to drive investment in renewable energy through Powershop's Your Community Energy electricity product, partnership with the community owned Hepburn Wind Farm and through power purchase agreements with renewable energy generators. In 2018 Powershop commenced retailing gas to its Victorian customer base.

In October 2018, Powershop entered into a White Label Agreement with DC Power Co. whereby Powershop provides energy services to customers under the DC Power Co brand including technological support, and customer service functions.<sup>2</sup>

This Public Disclosure Statement (PDS) supports Powershop's ongoing accreditation under the National Carbon Offset Standard, Carbon Neutral Program that covers Powershop's carbon neutral gas 'Product' accreditation. It details for the May 2018 to December 2018 period:

- the total forecast emissions based on Powershop's' gas sales volume;
- the total actual emissions;
- how we define and measure those emissions; and
- how we use Carbon Emissions Reduction certificates (CERs) to offset the impact made by this product.

The MEA Group (which includes Powershop) operates on a carbon neutral basis for its 'Organisation' accreditation and surrenders CERs to offset its Scope 1, 2 and 3 emissions.

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<sup>1</sup> <https://www.powershop.com.au/our-generation/>

<sup>2</sup> <https://www.dcpowerco.com.au/>

## 1. Organisation and Emission details

**Table 1: Organisation and Product Information**

<b>Organisation Name</b>	Powershop Australia Pty Ltd	
<b>Name of the subject of certification</b>	Powershop Carbon Neutral Gas	
<b>Type of certification (tick all applicable)</b>	<input type="checkbox"/> Organisation <input type="checkbox"/> Part of organisation	<input checked="" type="checkbox"/> Product/service <input type="checkbox"/> Event
<b>Reporting year period</b>	1 May 2018	31 December 2018
<b>Forecast emissions</b>	Forecast emissions: 10,323 tCO <sub>2</sub> -e CER's surrendered: 10,423	
<b>Actual emissions</b>	Total emissions: 7,227 tCO <sub>2</sub> -e CER's surrender based on forecast: 10,423 Net emissions: 0	
<b>True-up</b>	Discrepancy emissions forecast vs actual: Forecast overstated = 3,097 Additional CER's surrender: 0 True-up CER position: 3,196 banked for future use.	

## 2. Description of Organisation Activities

This PDS relates specifically to Powershop’s gas ‘Product’ that is created by Powershop when it buys gas from the market and on-sells that gas to its Victorian retail customers under the Powershop licence. It is this Product which is accredited under the National Carbon Offset Standard (NCOS) Carbon Neutral Program.

Further information about Powershop can be found at [www.powershop.com.au](http://www.powershop.com.au).

Further information about MEA can be found at [www.meridianenergy.com.au](http://www.meridianenergy.com.au).

## 3. Scope & System Boundary

Powershop retails gas bought from the market and sold to end use customers in Victoria. In calculating the GHG emissions from gas sales to Victorian Powershop customers, we have applied Scope 1 and Scope 3 emission factors to the quantity of gas purchased from the market. The boundary of Powershop’s Carbon Neutral Gas Product incorporates GHG emissions associated with extraction, production and transport of fuels, combustion of gas, transmission and distribution to Powershop customers.

## 4. Purchase and surrender of CERs

Powershop surrendered CERs upfront based on forecast gas load for the period of 1 May 2018 to 31 December 2018 to ensure its retail gas was carbon neutral for the public launch of retail gas.

This document works as true-up instrument for the forecast gas load versus actual gas load for 1 May to 31 December 2018. Powershop overestimated it’s gas forecast load versus actual gas load when forecasting gas volumes for the purposes of its carbon neutral accreditation, and as such has banked excess CER’s for future use.

**Table 2: CERs Voluntarily Surrendered for Powershop gas ‘Product’**

Details of CERs voluntarily Surrendered				
Amount	Serial number	Project	Vintage	Date of surrender
10,423	10,468,666 – 10,479,088	Project 2467: Landfill Gas Recovery and Utilization at Bukit Tagar Sanitary Landfill, Hulu Selangor in Malaysia Link: <a href="https://cdm.unfccc.int/Projects/DB/DN V-CUK1238680609.1/view">https://cdm.unfccc.int/Projects/DB/DN V-CUK1238680609.1/view</a>	2013	23 April 2019

Registry: Australian National Registry of Emissions Units (ANREU).

Project information: For detailed information on the project please use the project number (stated in the above ‘Project’ column) and search at: <https://cdm.unfccc.int/Projects/projsearch.html>

## 5. Purchase of NCOS Carbon Neutral Products

The purchase of carbon neutral products will be reported at the MEA group level as part of MEA's corporate accreditation.

## 6. Total Carbon Footprint

The total gas sold is derived from AEMO invoices.

Powershop lower the total carbon footprint to zero by the voluntary surrender of CERs.

The emissions from the gas purchased by Powershop and sold to customers are categorised as Scope 1 and Scope 3 emissions.

The tCO<sub>2</sub>-e produced by the sale of this gas has been calculated by:

- 1) calculating the volume (GJ) of gas purchased by Powershop customers in Victoria as shown on AEMO invoices; then
- 2) Scope 1 emissions: calculate by multiplying the gas volume (GJ) by the relevant Emission Factors for each state as shown in the National Greenhouse Accounts Factors 2018 (NGA Factors): Table 2: Emission factors for the consumption of natural gas; and
- 3) Scope 3 emissions: calculate by multiplying the gas volume (GJ) by the relevant Emission Factors for each state as shown in the National Greenhouse Accounts Factors 2018 (NGA Factors): Table 38: Scope 3 emission factors – natural gas for a product that is not ethane (inclusive of coal seam gas);
- 4) The sum of these multiplications is the total of tonnes CO<sub>2</sub>-e for the Powershop gas Product; then
- 5) CERs are surrendered to cancel out the remaining tCO<sub>2</sub> –e.

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

- NGA is listed as an appropriate source under National Carbon Offset Standard;
- NGA is published by the Department of Environment and Energy, the same entity that regulates NCOS;
- NGA calculates the emissions associated with the production, distribution and consumption of gas; and
- the methods used to generate the emission factors are consistent with international guidelines and are subject to international expert review each year<sup>3</sup>.

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

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<sup>3</sup> This approach was discussed and approved by the Department of Environment on 3 August 2015.

**Table 3 (a): NGA Factors -Table 2: Emission factors for the consumption of natural gas**

Fuel combusted	Emission factor kg CO <sub>2</sub> -e/GJ		
	CO <sub>2</sub>	CH <sub>4</sub>	N <sub>2</sub> O
Natural gas distributed in a pipeline	51.4	0.1	0.03

**Table 3 (b): NGA Factors - Table 38: Scope 3 emission factors – natural gas for a product that is not ethane (inclusive of coal seam gas)**

State or territory	Natural Gas EF for scope 3
Victoria	Metro
	kg CO <sub>2</sub> -e /GJ
	3.9

**Table 4: Powershop Net Carbon Footprint Reconciliation**

Forecast		
Period		Total
May – August 2018 Usage (GJ)	September – December 2018 Usage (GJ)	
64,583	121,660	186,243
Actual		
37,120	93,254	130,373
Discrepancy (GJ)		<b>55,870</b>

Table 5 (a) - **FORECAST**: Emissions from the purchase and sale of gas to Victorian customers

Scope	Emission source	Source of activity data	Methodology reference	Emission factor	Activity data	Unit	t CO <sub>2</sub> -e
1	Gas to be purchased from the market and sold to Victorian customers.	Powershop Forecast	<p>NGA Factors - July 2018 Table 2: Emission factors for the consumption of natural gas.</p> <p>Powershop forecast gas sales volume of 186,243GJ for the May 2018 to December 2018 period.</p> <p>Activity Data: Gas forecast emissions May-Dec18.</p>	<p>kg CO<sub>2</sub>-e/GJ</p> <p>CO<sub>2</sub> = 51.4 CH<sub>4</sub> = 0.1 N<sub>2</sub>O= 0.03</p>	186,243	GJ	9,597
3	Gas to be purchased from the market and sold to Victorian customers.	Powershop Forecast	<p>NGA Factors - July 2018 Table 38: Scope 3 - emission factors - natural gas for a product that is not ethane (inclusive of coal seam gas)</p> <p>Powershop forecast gas sales volume of 186,243GJ for the May 2018 to December 2018 period.</p> <p>Activity Data: Gas forecast emissions May-Dec18.</p>	<p>kg CO<sub>2</sub>-e/GJ</p> <p>3.9</p>	186,243	GJ	726
<b>Total tCO<sub>2</sub>-e</b>							<b>10,323</b>

Table 5 (b) – **ACTUAL:** Emissions from the purchase and sale of gas to Victorian customers

Scope	Emission source	Source of activity data	Methodology reference	Emission factor	Activity data	Unit	t CO <sub>2</sub> -e
1	Gas purchased from the market and sold to Victorian customers.	AEMO Invoices	<p>NGA Factors - July 2018 Table 2: Emission factors for the consumption of natural gas.</p> <p>Powershop gas sales volume of 130,373 GJ for the May 2018 to December 2018 period.</p> <p>Activity Data: GAS Month load check v2 (FINAL consumption).</p>	<p>kg CO<sub>2</sub>-e/GJ</p> <p>CO<sub>2</sub> = 51.4 CH<sub>4</sub> = 0.1 N<sub>2</sub>O = 0.03</p>	130,373	GJ	6,718
3	Gas purchased from the market and sold to Victorian customers.	AEMO Invoices	<p>NGA Factors - July 2018 Table 38: Scope 3 - emission factors - natural gas for a product that is not ethane (inclusive of coal seam gas).</p> <p>Powershop gas sales volume of 130,373 GJ for the May 2018 to December 2018 period.</p> <p>Activity Data: GAS Month load check v2 (FINAL consumption).</p>	<p>kg CO<sub>2</sub>-e/GJ</p> <p>3.9</p>	130,373	GJ	508
<b>Total tCO<sub>2</sub>-e</b>							<b>7,227</b>

## 7. Carbon Offset Purchases and Retirement for this Reporting Period

Powershop used CERs for offsetting Scope 2 and Scope 3 emissions associated with the Powershop Carbon Neutral Gas Product.

Excess offsets that have been surrendered for this reporting period will be banked for future use in the following reporting period. Only NCOS eligible carbon offsets will be utilised for offsetting product emissions.

**Table 6: Surplus Offset Cancellations from period and banked for future use**

Details of CERs Voluntarily Surrendered				
Quantity	Serial numbers	Project	Vintage	Date of surrender
3,196	Part of surrender: 10,475,892 - 10,479,088	Project 2467: Landfill Gas Recovery and Utilization at Bukit Tagar Sanitary Landfill, Hulu Selangor in Malaysia Link: <a href="https://cdm.unfccc.int/Projects/DB/DNV-CUK1238680609.1/view">https://cdm.unfccc.int/Projects/DB/DNV-CUK1238680609.1/view</a>	2013	23 April 2018

Registry: Australian National Registry of Emissions Units (ANREU).

Project: For detailed information on the project please use the project number (stated in the above 'Project' column) and search at: <https://cdm.unfccc.int/Projects/projsearch.html>

## 8. Emission Reduction Measures

In addition to offsetting all emissions associated with this organisational boundary, the Powershop retail arm encourages emission reductions through the following measures:

- Powershop’s smartphone application and online portal is available free of charge for all Powershop customers. These tools allow customers to easily track their electricity usage and make informed decisions to reduce their electricity usage and therefore reduce emissions.
- Hepburn Wind is a partnership between Powershop and Hepburn Wind Community Project. The partnership began in late 2016 and means that MEA will assist in the management of the day-to-day operations of Hepburn Wind’s two wind turbines. Powershop will also facilitate Hepburn Wind’s interaction with the NEM enabling Hepburn Wind to sell electricity and Renewable Energy Certificates, delivering value to community shareholders.
- Your Community Energy electricity product is a power pack available in Powershop’s online store. This initiative gives Powershop customers the chance to help raise funds for community renewable energy projects. When customers choose to purchase this pack they pay a small premium. The amounts raised as a result of customers paying the premium are pooled and distributed to renewable energy projects.

## 9. Marketing of Carbon Neutral Certification

Powershop use the NCOS trademark across a number of different marketing and communication channels.

Use of the NCOS trademark is captured in a register. This register is maintained by Powershop’s marketing team. MEA does not use the NCOS trademark as part of their organisational accreditation.

### Use of the trademark

Powershop customers Account Review (electricity and gas bill):

**Carbon emissions offset**

Powershop has fully offset all the electricity we supply, at no extra cost to you. Because the increase in CO<sub>2</sub> levels (greenhouse gasses) in the atmosphere is a global problem, Powershop has chosen to use Certified Emissions Reduction units to achieve carbon neutrality.

More information can be found here: [The What, Why and How of carbon offsetting at Powershop.](#)



**0.28829 tonnes\***  
For the period 19 Jul – 20 Aug



Your energy usage is certified  
100% carbon neutral under  
the Australian Government's  
Carbon Neutral Program.

\* In addition, if you purchase our 100% GreenPower product, you are also supporting the development and promotion of renewable energy in Australia. Your mum would be proud.

Powershop website – Environment & Community page:

## Powershop and Renewable Energy

Ranked [Australia's greenest power company](#) by Greenpeace for two years running and backed by Meridian Energy, Australasia's largest 100% renewable generator, Powershop is a modern electricity provider passionate about the future of renewable energy in Australia.

- Renewable Generation
- Community Energy
- GreenPower
- Energy Efficiency
- Carbon Neutral

### Carbon Neutral




As a Powershop customer, all of your energy usage is certified carbon neutral at no extra cost.

Meridian Energy Australia, one of our group companies, has been certified carbon neutral against the requirements of the National Carbon Offset Standard (NCOS) by the Australian Government. Although it's a bit of a mouthful, as the first power company to be accredited in Australia, we're chuffed.

Meridian Energy Australia, Powershop, and all of our operations are certified carbon offset under the NCOS benchmark. But importantly for our customers, the NCOS accreditation applies to the electricity we sell as well.

Use in digital marketing:



Referenced in our pricing statements:

**Carbon Neutrality**

We offset all of the carbon associated with our own operations and our customers' electricity usage drawn from the National Electricity Market (NEM), and we have been certified carbon neutral under the Australian Government's National Carbon Offset Standard (NCOS) program. So if you're a Powershop customer all your energy usage is certified 100% carbon neutral – at no extra cost.

Powershop website – Sustainability page:



Referenced in website FAQs:

▼ Does Powershop have official accreditation as Carbon Neutral?

Meridian Energy Australia - our parent company - has been certified carbon neutral under the Australian Government's National Carbon Offset Standard (NCOS) program.

The NCOS accreditation provides a benchmark for businesses and other organisations that are voluntarily seeking to be carbon neutral. The benchmark sets out what is required for calculating, auditing and offsetting the carbon account of an organisation, product or service to achieve carbon neutrality. It also provides guidance on what is a genuine offset unit.

To remain compliant with the NCOS program, we're required to record all emissions associated with conducting our business and then offset these emissions by surrendering voluntary GreenPower Large-scale Generation Certificates (LGCs) bought by our customers as well as voluntarily surrender Certified Reduction Certificates (CERs). We also comply with the obligation to surrender LGCs as is mandatory with the RET's Renewable Percentage.

So Meridian Energy Australia (our parent company), Powershop (us), and all our operations are certified carbon offset under the NCOS program. But importantly for our customers, the NCOS accreditation applies to our product as well. So if you're a Powershop customer all your energy usage is certified carbon neutral - at no extra cost.

[Head to the Government website for more information on this scheme.](#)

Use in website footer banner:

We're an electricity company, but one you'll like.



100% carbon neutral at no extra cost to our customers  
[Learn more >](#)



We love our customers and they love us  
[Learn more >](#)



Greenpeace Green Electricity Guide, 2014 & 2015  
[Learn more >](#)

## 10. Declaration

To the best of my knowledge and having implemented the quality controls and standards required under the Carbon Neutral Program and made all appropriate inquiries, the information provided in this Public Disclosure Summary is true and correct.

<b>Name:</b>	Lynne Sutton
<b>Signature:</b>	
<b>Position:</b>	General Counsel
<b>Date:</b>	30 September 2019