



**Australian Government**  
**Clean Energy Regulator**

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# Transforming Australia's carbon (including renewable energy) markets

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# Presentation overview



Understanding Australia's climate policy context



Development of the new Unit & Certificate Register and Carbon exchange model



Australian Carbon Credit Unit and Large-Scale Generation Certificates market update

# NATIONAL GREENHOUSE EMISSIONS REPORTING (NGER)



## Scope 1 emissions

Emissions released to the atmosphere as a direct result of an activity, or series of activities at a facility level - sometimes referred to as direct emissions.



## Scope 2 emissions

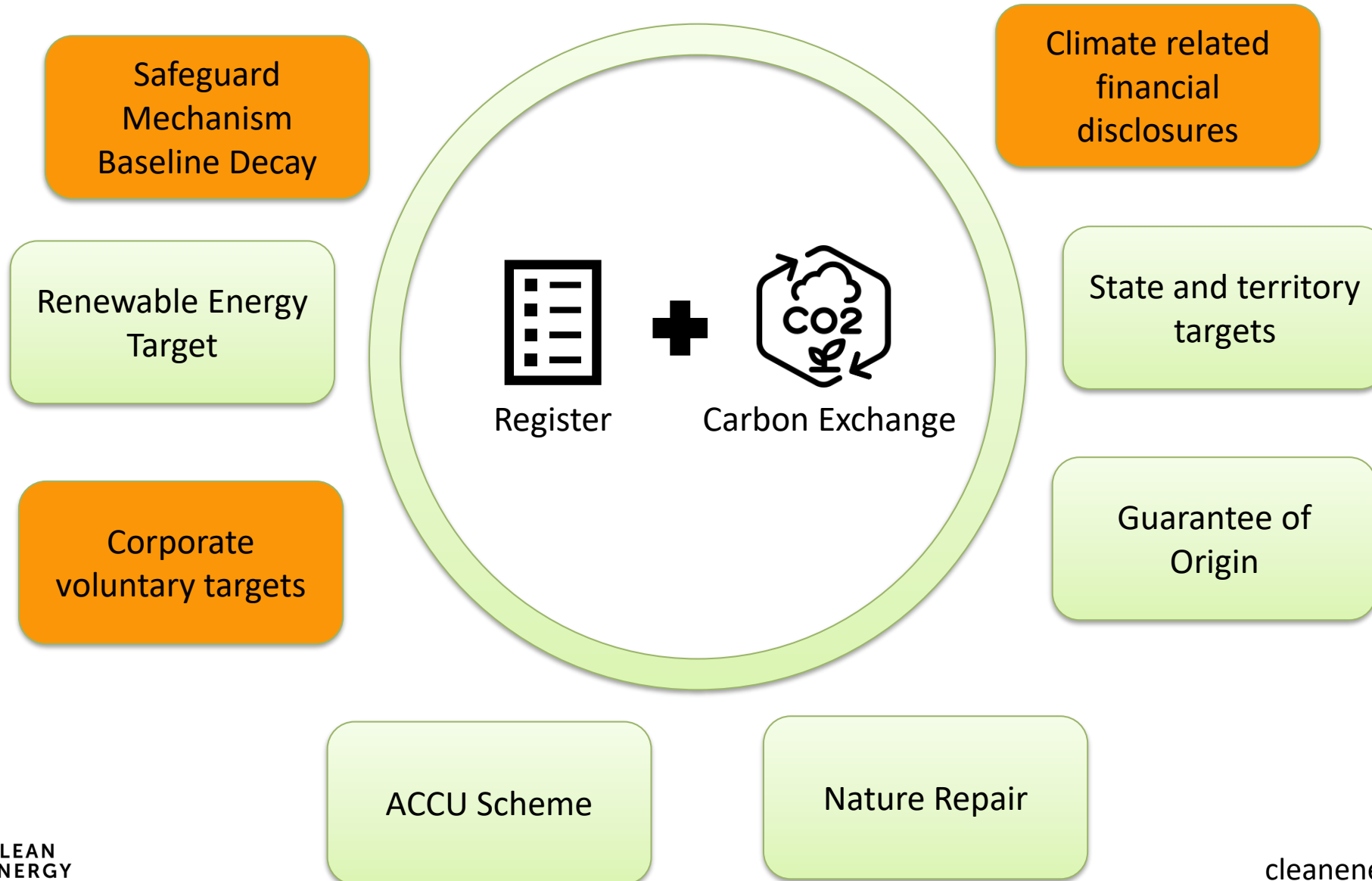
Emissions released to the atmosphere from the indirect consumption of an energy commodity – e.g. 'indirect emissions' from the use of electricity produced by the burning of coal in another facility.



## Scope 3 emissions

Indirect greenhouse gas emissions other than scope 2 emissions that are **generated in the wider economy**. They occur as a consequence of the activities of a facility, but from sources not owned or controlled by that facility's business.

# Australia's climate policy context



# A single Unit and Certificate Register

Trovio Group will provide a modern Unit and Certificate Register

The new Register will combine CER's existing registers into one, which will hold:

- Australian carbon credit units (ACCUs)
- International units
- Large-scale generation certificates (LGCs)
- Small-scale technology certificates (STCs)
- Future certificates: Safeguard Mechanism credit units (SMCs), Guarantee of Origin (GO) certificates and Nature Repair certificates.

# Developing a Carbon Exchange model



Increase market transparency and improve accessibility.

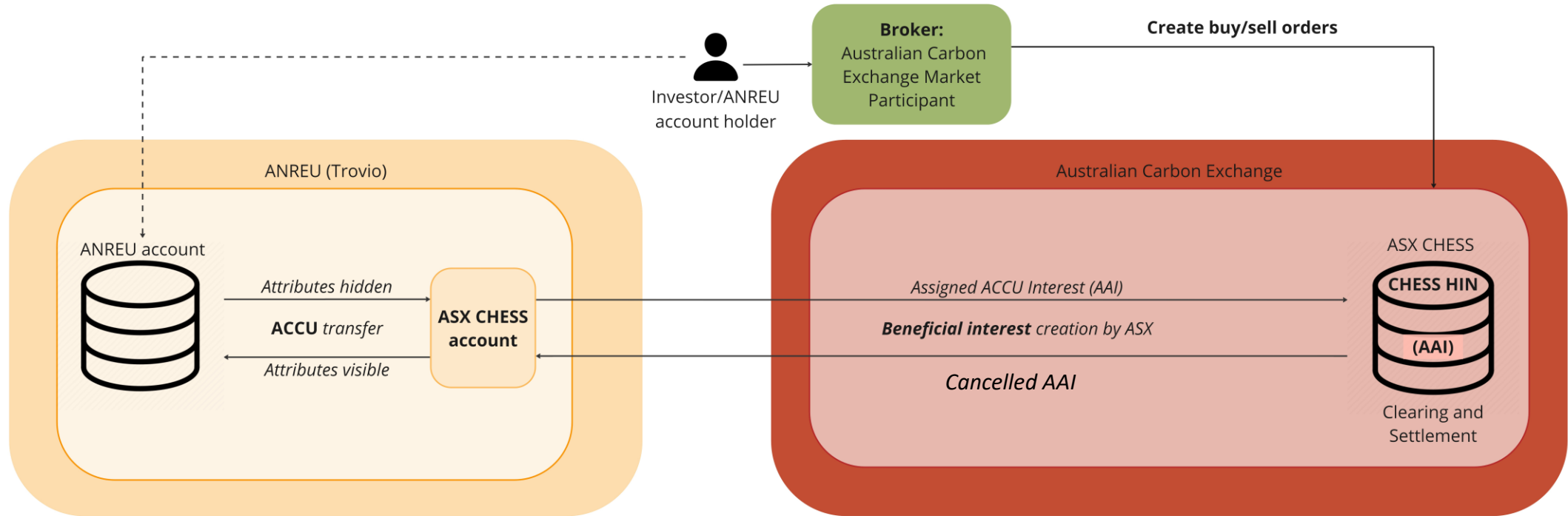


Reduce costs to trade and simplify processes.



Provide a platform to underpin Australia's rapidly growing carbon markets.

# A possible Carbon Exchange model

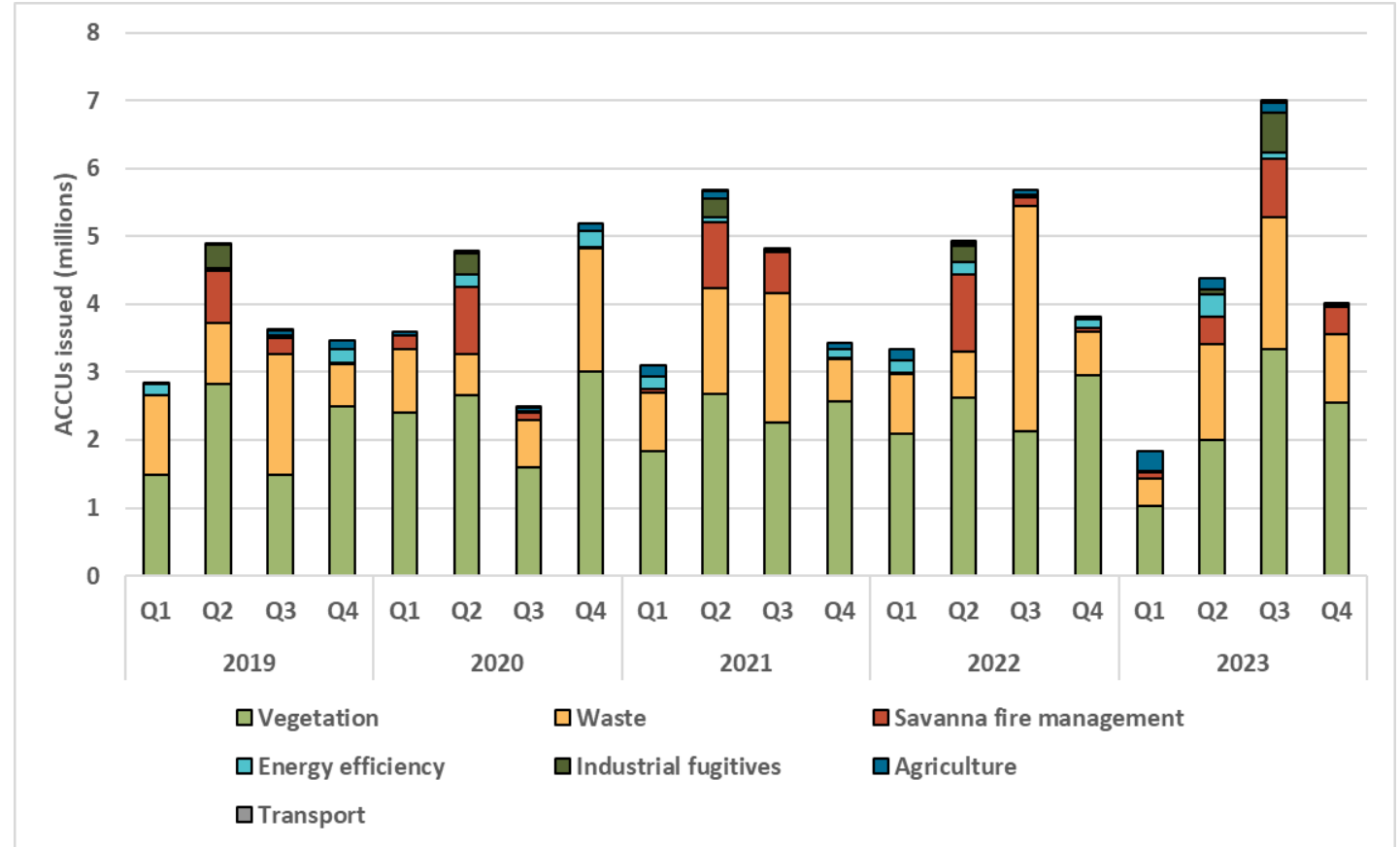


# ACCU MARKET: SUPPLY - ISSUANCES

For 2023 approx. 17.2 million ACCUs were issued.

Australian National Registry of Emissions Units (ANREU) holdings grew by 13.5 million to 36.2 million at the end of 2023

Anticipate at least 20 million ACCUs to be issued in 2024.





# ACCU MARKET : SAFEGUARD ENTITIES AND INTERMEDIARIES



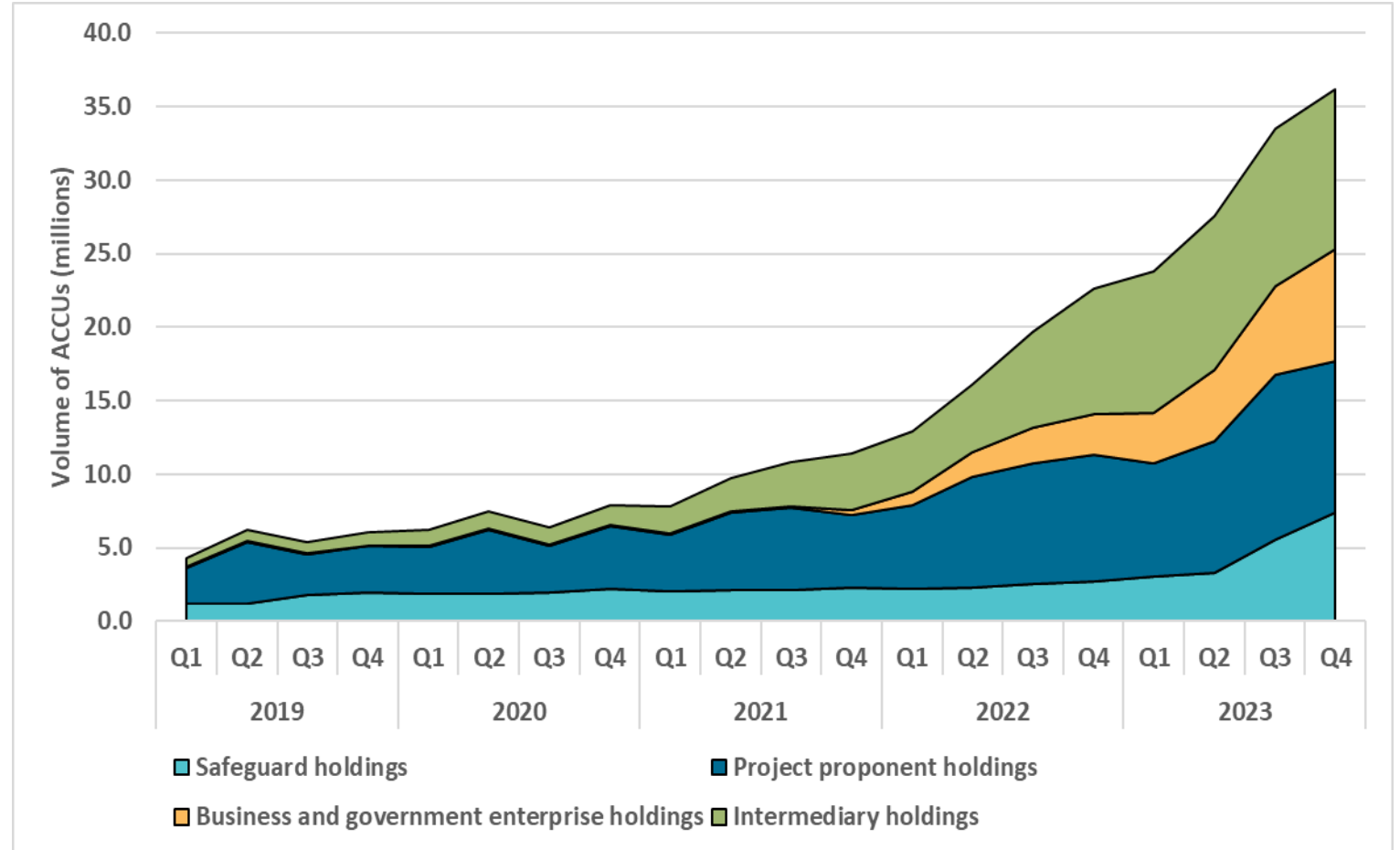
Entities look to hedge for the future.



At the end of 2023, there were 43 Safeguard accounts holding 7.4 million ACCUs.



In 2023, accounts of intermediaries acquired 15.9 million ACCUs and transferred or cancelled/surrendered 13.5 million ACCUs.



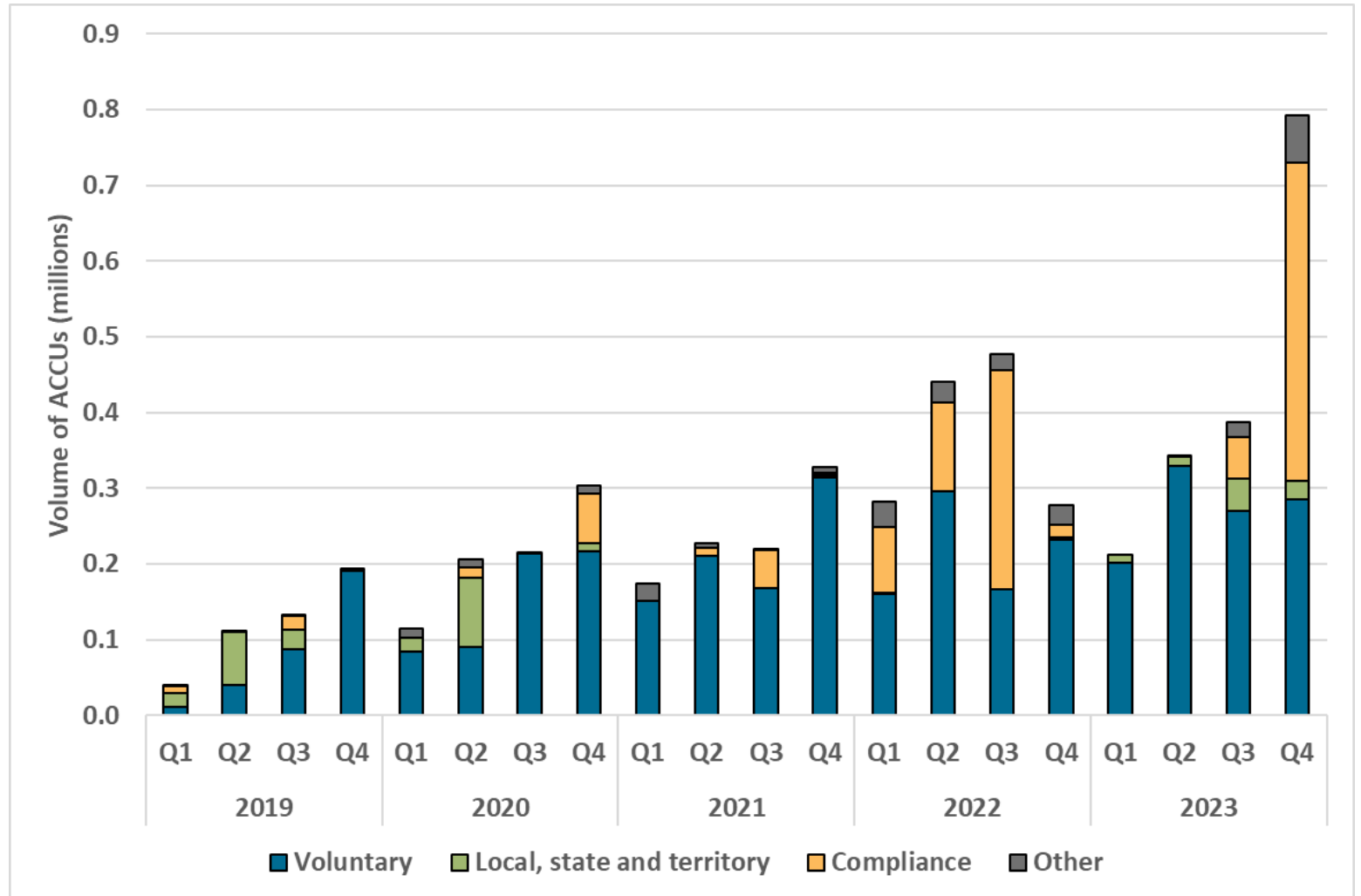
# ACCU CANCELLATIONS BY DEMAND SOURCE (EXCLUDING SAFEGUARD ENTITIES)



**Cancellation of ACCUs so far driven by non-Commonwealth demand.**

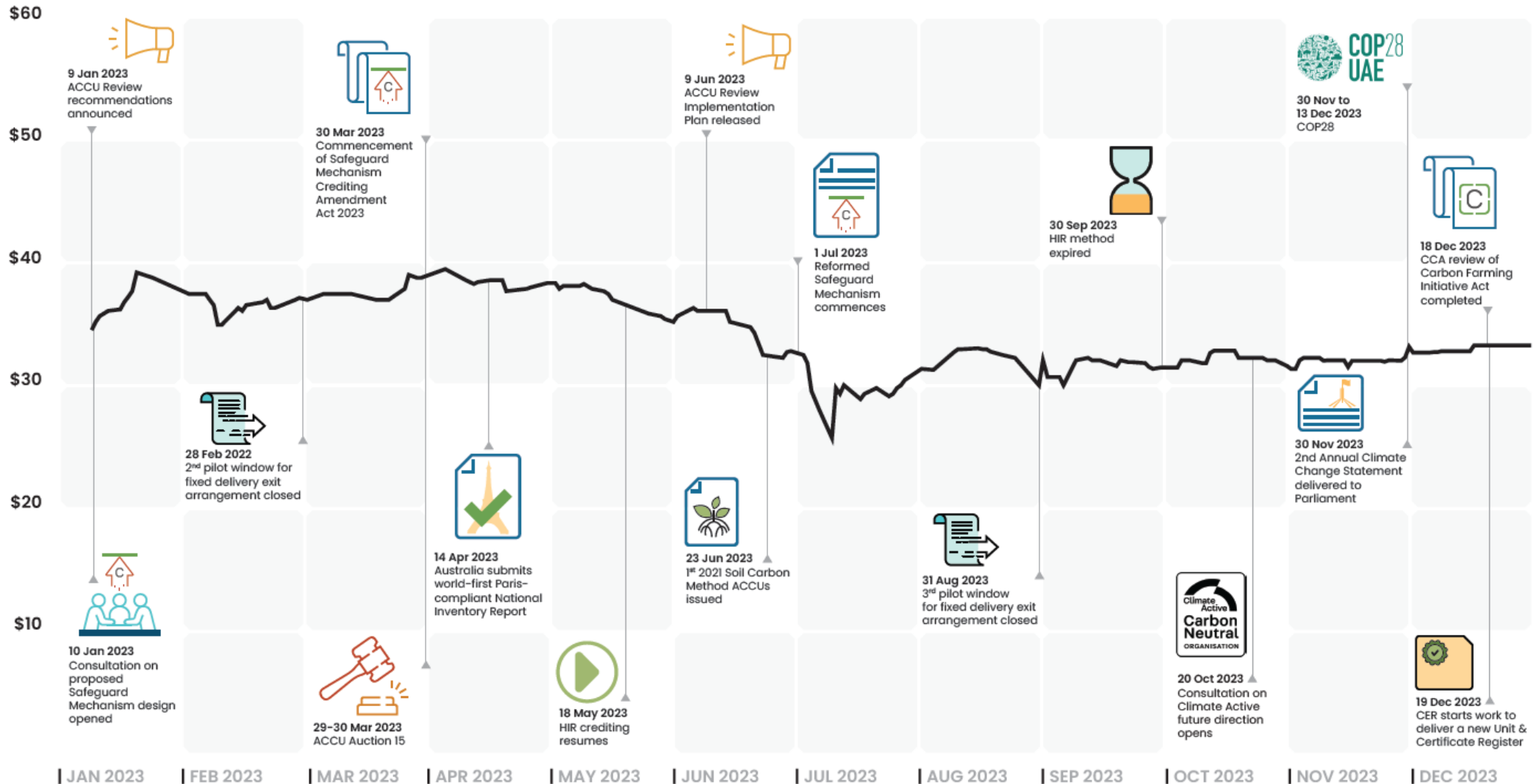


Voluntary market demand has now averaged around 40% annual growth over the past 4 years.





# ACCU SPOT PRICE: YEAR IN REVIEW 2023

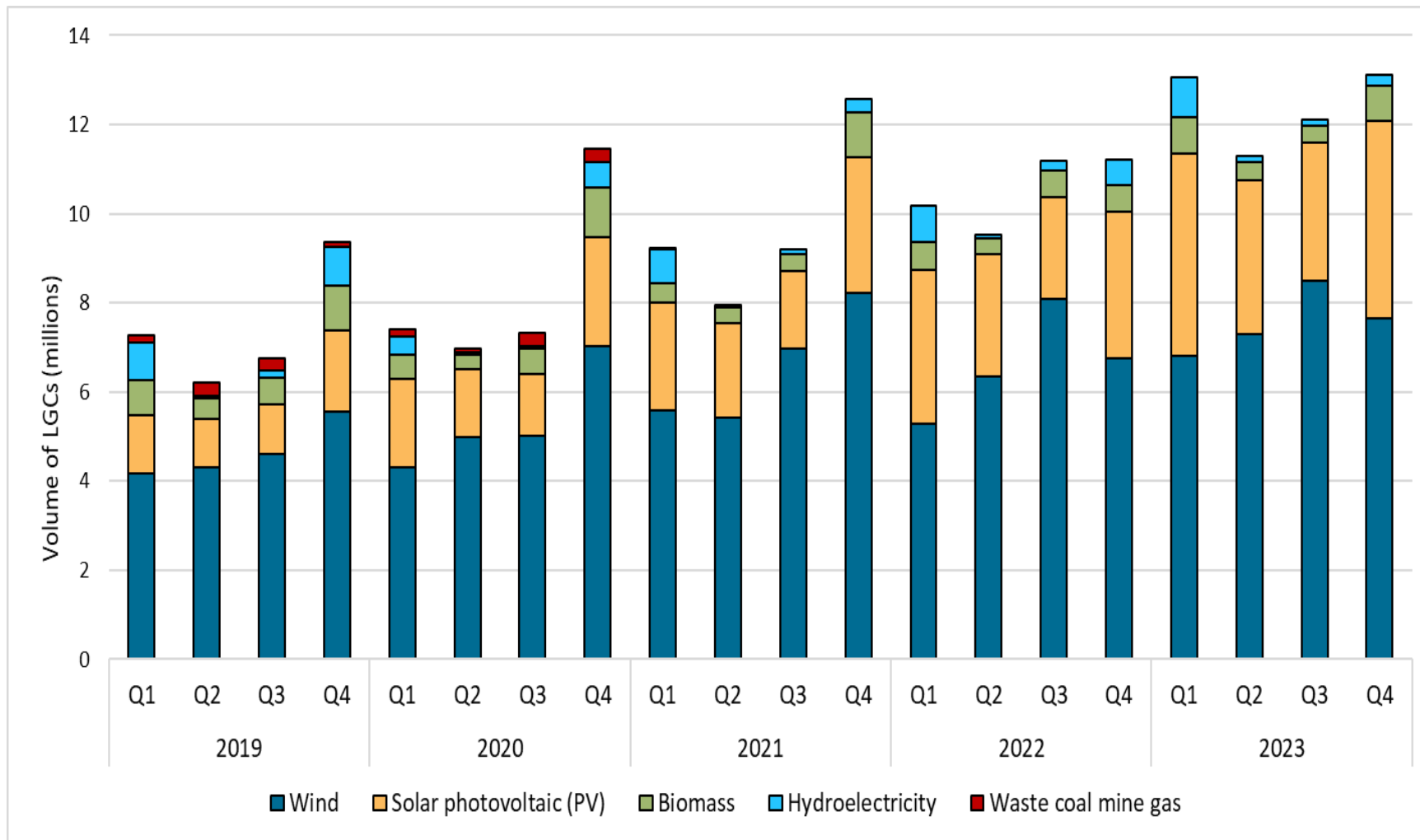


Data sourced from CORE markets.  
This chart shows the daily close price of ACCUs and a selection of events that may be relevant to carbon markets.

# LARGE SCALE GENERATION CERTIFICATES (LGCs) – BY TECH TYPE

For 2023 49.6 million LGCs were validated – predominately for wind generation.

Expect 52 to 54 million LGCs to be validated in 2024.

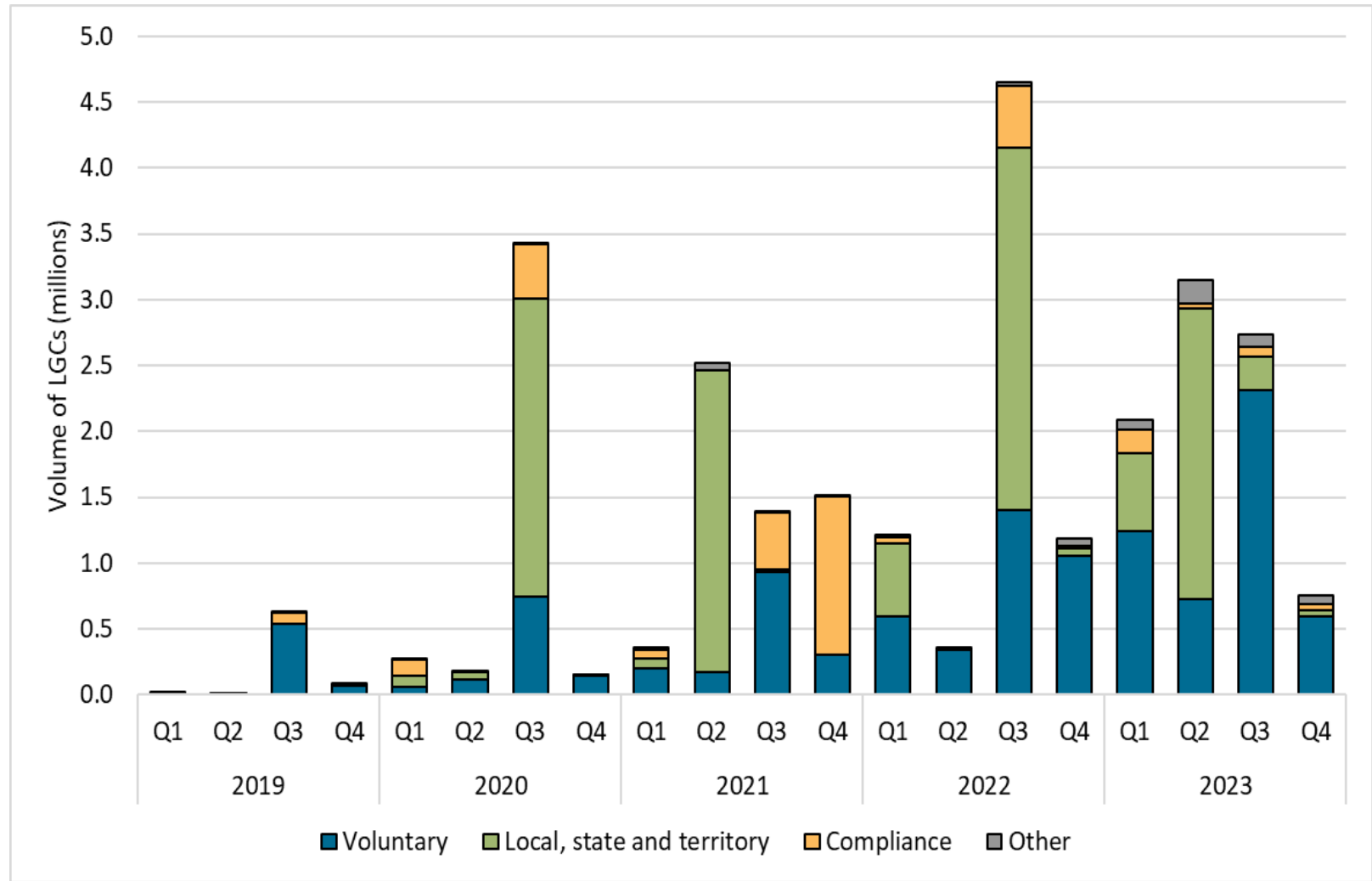


# NON-RET LGC CANCELLATIONS BY DEMAND SOURCE

For 2023 **8.7 million** LGCs were cancelled for non-RET demand.

Voluntary participation driving growth.

For 2024 we expect a record 10 million LGCs to be cancelled.



# LGC SPOT PRICE



# FURTHER INFORMATION



## **Quarterly Carbon Market Report:**

[Quarterly Carbon Market Reports \(cleanenergyregulator.gov.au\)](https://www.cleanenergyregulator.gov.au)



## **Mandatory climate disclosure reporting:**

- [Climate-related financial disclosure - Consultation paper \(treasury.gov.au\)](https://www.treasury.gov.au)
- [Climate-related financial disclosure: exposure draft legislation | Treasury.gov.au](https://www.treasury.gov.au)



# Thank you

## Contact us

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