



Friday, December 15, 2023

Climate Active program
Department of Climate Change, Energy, Environment and Water

More granularity required in measurement of electricity emissions

Dear consultation team,

AIRAH appreciates the opportunity to provide feedback on the Climate Active Program Direction Consultation.

AIRAH is a peak body for professionals working in heating, ventilation, air conditioning and refrigeration (HVAC&R) and building services. For perspective, Australia has **60 million pieces of HVAC&R equipment** that account for more than **25 per cent of all electricity consumption** and produce approximately **12 per cent of greenhouse gas emissions**¹. Although often working out of the spotlight, our **300,000 Australian HVAC&R professionals** play a leading role in helping organisations achieve their environmental goals – including certification under the Climate Active program.

We would like to offer feedback on how electricity emissions are accounted for under the Climate Active program – Proposal 5 in the consultation paper.

As the grid decarbonises, electricity emissions are becoming more dynamic. Because of the increasing penetration of renewables in the National Electricity Market, there are now times of day when electricity spot prices are negative; in other words, there is an oversupply of energy. When this occurs, the challenge is not providing more renewable energy, but managing demand.

Accounting for over 50 per cent of electricity use in Australia², our buildings are the key to tackling this challenge. AIRAH sees a rapidly changing energy landscape, in which buildings are no longer simply energy users, but play a similar role to batteries. HVAC&R systems, for example, can use electricity when it is plentiful, storing it as heat or cold, then expending it when demand for electricity is high. By smoothing out these peaks, buildings can reduce the strain on the grid, saving huge amounts of money that would otherwise be required to build infrastructure that can cope with larger and larger peak loads.

For the Climate Active program to accurately measure electricity emissions into the future – and to drive effective climate action – it needs to take this changing landscape into account. We believe the Climate Active program needs to go further than simply introducing a requirement for businesses and organisations to source a minimum percentage of renewable electricity under the market-based method. It should specify a minimum reduction in emissions using a location-based granular measurement method.

Such systems are being implemented in other jurisdictions, and a number of AIRAH's members are experts on this topic. We would be happy to connect you with them to support the development of the Climate Active program.

Regards,

Sami Zheng
CEO
AIRAH

¹ [Cold Hard Facts 2022](#)

² [Every Building Counts](#)