

Australian Government  
Department of Climate Change, Energy, the Environment and Water

Submission via email to [nationalgreenhouseaccounts@dcceew.gov.au](mailto:nationalgreenhouseaccounts@dcceew.gov.au)

17 April 2025

## **RE: National Greenhouse and Energy Reporting scheme – 2025 proposed updates and forward work program**

Rio Tinto welcomes the opportunity to make a submission to the Department of Climate Change, Energy, the Environment and Water (the **Department**) in response to the consultation paper on the 2025 proposed amendments to the *National Greenhouse and Energy Reporting (Measurement) Determination 2008* and forward work program.

This response is focused on (i) the proposal to enable market-based reporting of emissions from consumption of biomethane and hydrogen, and (ii) the proposed updates to provisions for estimating scope 2 emissions from consumption of electricity.

Rio Tinto has committed to reduce its scope 1 and 2 emissions to net zero by 2050, and our decarbonisation pathways include replacing traditional fossil fuels and energy sources with lower emissions energy including renewable electricity and renewable fuels. Ensuring National Greenhouse and Energy Reporting (NGER) appropriately reflects the progress of businesses changing energy sources to reduce emissions is critical to supporting investment in the development of competitively priced low carbon energy industries in Australia.

### **Market-based reporting of emissions from consumption of biomethane and hydrogen**

Rio Tinto welcomes the introduction of a market-based approach for determining scope 1 emissions from the consumption of biomethane that has been injected into the natural gas network. This is an important step to enable purchasers to recognise the associated emissions reduction benefit at the facility level.

In relation to the proposed wording within the *National Greenhouse and Energy Reporting (Measurement) Amendment (2025 Update) Determination*, we encourage the Department to explicitly state that Green Power RGGOs that have been provided to a site/customer in a direct delivery method are eligible for reporting as renewable gas under the market-based approach.

### **Scope 2 emissions from consumption of electricity**

#### *Aligning with the GHG Protocol Scope 2 Guidance*

In situations where we purchase renewable electricity directly from the electricity producer, we typically stipulate that the renewable energy attributes from the producer are included in the purchase agreement. In line with the GHG Protocol Scope 2 Guidance, we would then report our market-based scope 2 emissions reflecting the unique commercial rights to this purchased renewable electricity. We request clarification from the Department around whether this approach will be specifically considered under the REGO scheme. If not,

we encourage the Department to consider recognising this as a valid market-based scope 2 reporting mechanism in the NGER measurement determination.

*Updates to the market-based method to incorporate the Renewable Electricity Guarantee of Origin (REGO)*

In relation to the introduction of REGOs (including below baseline REGOs) we request that the Department clarifies that REGOs will be eligible for surrender as soon as the scheme is implemented. We encourage the Department to make an out-of-cycle amendment to the NGER Measurement Determination to allow for recognition of REGOs (including below baseline REGOs) as a valid scope 2 market-based mechanism as soon as the REGO legislation is created rather than waiting for the next annual update. We also request that the Department provides information in the NGER Measurement Determination about any differences in eligibility criteria for REGOs to help with auditability and public clarity on our emissions reporting position.

*State and territory specific Residual Mix Factors*

Rio Tinto supports the introduction of state and territory specific residual mix factors (RMF) in the market-based method as more representative for calculation of scope 2 emissions. A single national RMF is not appropriate for comparable reporting to the existing NGER location-based factors especially for corporates, and leads to highly skewed reporting for some states, that in turn may lead to erosion of confidence in these publicly reported numbers.

Rio Tinto would support the Department's proposal to require use of the market-based method for all facilities within a controlling corporation's group (in cases where a reporting entity within the controlling corporation already uses the market-based method) after such time that (a) state-based RMFs are available for use, and (b) measures to reduce double counting across different entities within controlling corporations are in place.

**Other matters**

*Co-processed liquid fuels*

Rio Tinto supports efforts by the Department to better enable the reporting of scope 1 emissions from the combustion of co-processed fuels in the NGER scheme. However, due to existing refinery locations in Australia, it would be challenging for us to deliver co-processed fuels to our operations in the Pilbara. To overcome such geographical constraints to marketing low carbon fuels (and minimise emissions from transporting fuel to site) we would encourage the Department to consider a model for enabling the renewable energy attributes of lower carbon fuels to be traded and reported under the scope 1 market-based approach in NGER.

We thank the Department for the opportunity to comment on the latest proposed amendments to the NGER Measurement Determination. We would welcome the opportunity to discuss this submission with you further. In the interim, if you have any questions, please contact Rachel Storrs ([Rachel.storrs@riotinto.com](mailto:Rachel.storrs@riotinto.com)).

Yours sincerely,



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