

AusNet



TCFD Report 2024 Performance Update

Task Force on Climate-related
Financial Disclosures (TCFD)

Overview

In 2023, AusNet Pty Ltd (AusNet) released a Climate Change Position Statement and detailed Task Force on Climate-related Financial Disclosures (TCFD) Report that outlined our approach to identifying and managing climate-related risks and opportunities, with the goal of achieving net zero Scope 1 and 2 emissions by 2045. In pursuit of this goal, AusNet has set an interim target to reduce Scope 1 and 2 CO₂-e emissions by 50 per cent by 2030 (relative to a 2021/22 baseline).

As foreshadowed in our TCFD Report, we intend to regularly and transparently report on our emissions mitigation strategies and performance as measured by a range of climate change metrics. Accordingly, this update provides an overview of our progress against relevant targets and KPIs in 2023, reported against our 2021/22 position. We will continue to report at regular intervals and disclose any material strategic, risk or governance issues as they arise.

This update should be read in conjunction with AusNet's 2023 TCFD Report.¹

[AusNet's 2023 TCFD report](#)

Acknowledgement of Country

AusNet acknowledges Aboriginal and Torres Strait Islander people as the Traditional Custodians of the lands on which we live and work. We pay our respects to Elders past and present, and celebrate their continuing connection to Country.



¹ The TCFD report highlights that its forward-looking statements are based on assumptions at the time of publishing, and subject to significant risks and uncertainties, with outcomes potentially differing materially from those projected. These disclaimers and limitations apply equally to this update, meaning any forward-looking statements in the update are subject to the same qualifications and should not be relied upon as financial or investment advice. For full details, please refer to the TCFD report.

2023 performance against climate metrics

The metrics outlined in Table 1 demonstrate AusNet's progress towards our overall target for greenhouse gas (GHG) emissions reduction, as well as detail the actions we have taken to reduce emissions across our emissions sub-categories.

In future reporting, we intend to include additional metrics marked in Table 1 with an asterisk, and relevant cross-industry metrics, as per the TCFD guidance.

In 2023, we became a signatory to The Energy Charter, a national CEO-led collaboration that supports the energy sector in working towards a customer-centric future. We commit to its purpose of delivering better energy outcomes for customers and communities. As part of this, we will publicly disclose our progress against each of the Energy Charter's Five Principles, our self-assessed maturity, and our plans for further improvement. Our inaugural report was published in October 2024, on both the AusNet and The Energy Charter websites.

▼ Table 1 | AusNet climate-related performance and KPIs

Metric	Unit of Measurement	2021/22	2022/23
Total Greenhouse Gas Emissions (Network loss emissions and in-house emissions) (Jul – Jun)			
Absolute Scope 1 and 2 emissions – AusNet Group	Mt CO ₂ -e (absolute)	1.73	1.49
Offsets surrendered	ACCU or equivalent	0	0
Net Scope 1 and 2 emissions (less offsets)	Mt CO ₂ -e (net)	1.73	1.49
Reduction in total Scope 1 and 2 emissions, compared with base year	% and Mt CO ₂ -e (net)	target base year	14% 0.24
Absolute Scope 3 emissions – AusNet Group	t CO ₂ -e (absolute)	**	**
Network loss emissions (Jul – Jun)			
Reduction in network loss emissions, compared with base year	% and Mt CO ₂ -e (net)	target base year	13% 0.22
Mains replaced since 2009 on gas network and associated fugitive emissions reduced, cumulative	km replaced, and t CO ₂ -e reduction	830 km 57,580	859 km 58,979
In house emissions (Jul – Jun)			
Reduction in in-house emissions, compared with base year	% and Mt CO ₂ -e (net)	target base year	18% 0.01
Electric vehicles in AusNet fleet	% of fleet	0	0.3%
Net zero carbon electricity as a percentage of total electricity consumed at AusNet facilities	%	<2%	15%
New network infrastructure and renewable connections			
		(As at June 2023) TCFD report preparation	(As at Dec 2023) Aligned to CY reporting
Large renewables and storage AusNet has connected to our High-voltage transmission network ²	GW delivered (GW under construction)	3.7 (Not captured)	4.3 (2.6)
That includes a contestable component ³	GW delivered	2.2	2.7
That involves interface-only works ⁴	GW delivered	1.5	1.6
Large renewables and storage AusNet has connected to our sub-transmission and distribution networks through regulated connections ⁵	GW delivered	0.55	0.55
Renewables AusNet has connected to our distribution network through rooftop solar PV ⁶	GW connected	0.9	1.0
New hosting capacity for renewable projects being created by AusNet, through removing constraints on existing network and building new transmission lines ⁷	GW of new hosting capacity	3 GW under development (Western Renewables Link)	3 GW under development (Western Renewables Link)

² Total renewable generation and utility scale storage connected by AusNet to the Victorian transmission grid.
³ Renewable generation and utility scale storage connected by AusNet to the Victorian transmission grid with a contestable shared or connection asset component.
⁴ Renewable generation and utility scale storage connected by AusNet to the Victorian transmission grid involving interface-only works.
⁵ Renewable generator and storage (>1.5 MW) connected to the high and medium voltage distribution network.
⁶ Residential rooftop solar PV connected to our low-voltage distribution network (behind-the-meter).
⁷ New transmission 'backbone' infrastructure to connect and allow export from new areas with renewable development (e.g. Renewable Energy Zones) to the rest of the network.

AusNet emissions profile

2022/23 reporting year

We currently report our Scope 1 and 2 GHG emissions under Australia's National Greenhouse and Energy Reporting (NGER) Scheme across AusNet's business groups⁷ on a July to June regulatory period. There has been a downward trend in AusNet's reported overall GHG emissions, with an approximate 25 per cent reduction in total emissions between 2014/15, and the 2021/22 (baseline year)⁸.

In 2022/23, there was a decrease in AusNet's reported emissions of 236 kt CO₂-e (14 per cent) compared to 2021/22, as shown in Table 2. This reduction is largely attributed to an 11 per cent decrease in the emissions intensity (emissions factor) of electricity generation, as applied by the Clean Energy Regulator. This factor is used to calculate network loss emissions on our transmission and distribution electricity networks. The emissions intensity reduction is primarily due to the displacement of fossil fuel electricity generation by renewable electricity generation which is transported via our network infrastructure.

This change has had the largest impact on the company-wide volume of GHG emission reductions as electricity line losses comprise 85 per cent of our overall emissions. Electricity line losses are significantly impacted by market and policy factors. Importantly, losses may vary from year to year due to variability in generator dispatch, consumption patterns, system configuration changes and climatic conditions.

We are actively working to connect new renewables as quickly and efficiently as possible, increasing network capacity through new high-voltage transmission infrastructure, and integrating consumer energy resources onto our distribution network.

Our in-house GHG emissions decreased by approximately 18 per cent in 2022/23 compared to the previous year. While we do not expect to see annual reductions of this magnitude in the future, we continue to focus on initiatives to reduce emissions we can directly control, including refurbishing and replacing equipment that leaks SF₆ gas, and increasing the use of renewable energy within our operations.

Most of this reduction was attributable to a decrease in SF₆ emissions compared to the previous year, with small improvements also seen in our fleet and building energy emissions. An additional 14 per cent reduction resulted from a one-off technical change to the way we account for a key contractor's emissions (change in operational control). Depending on future contracting arrangements, these emissions may return to AusNet at some stage.

We continue to explore the transition of our fleet to electric vehicles, though the program has encountered delays due to the complexities of installing rapid chargers at leased premises. In the interim, we are prioritising policies to enhance fuel efficiency, including the use of hybrids, and making provisions for expanded EV adoption and charging infrastructure in our forthcoming regulatory proposals.

In the second half of 2023, we began powering our buildings with the government-accredited renewable energy product, GreenPower. The first stage of this initiative included our largest sites and covered approximately 70 per cent of AusNet's building electricity use. The impact on our emissions will be reflected in the 2023/24 reporting year.

▼ Table 2 | AusNet's historical Scope 1 and 2 emissions (t CO₂-e)

Year ended 30 June ⁹	2019/20	2020/21	2021/22	2022/23	% Change 21/22 vs 22/23
Scope 1 GHG emissions	210,866	229,917	231,682	215,959	-7%
Scope 2 GHG emissions	1,352,484	1,319,230	1,499,364	1,278,840	-15%
Total emissions (Scope 1 and 2 - absolute)	1,563,350	1,549,147	1,731,046	1,494,799	-13.7%
Network loss emissions	1,499,154	1,491,354	1,672,615	1,455,100	-13%
Electricity transmission	869,954	859,952	1,039,839	878,438	-16%
Electricity distribution	468,544	449,914	450,854	393,540	-13%
Gas fugitive emissions	160,656	181,488 ¹⁰	181,922	183,122	+1%
In-house emissions	64,196	57,793	58,431	39,699	-18% (32% including one-off) ¹¹

⁷ Energy produced and consumed by the corporate group that comprises Australian Energy Holdings No1 Pty Ltd and its subsidiaries or controlled entities, including AusNet Pty Ltd and its subsidiaries and controlled entities.

⁸ Performance as publicly reported to the Clean Energy Regulator – unadjusted for methodology changes applied by the regulator.




⁹ AusNet National Greenhouse and Energy Reporting Section 19 – Emissions and Energy Reports.

¹⁰ The increase in gas fugitive emissions (Scope 1) was primarily due to a methodology change applied by the Clean Energy Regulator that increased the global warming potential (GWP) factor for methane from 25 to 28.

¹¹ A major factor in the reduction was AusNet giving up operational control over two contractors' emissions, which were previously counted in AusNet's own emissions. This change removed about 8,000 tonnes of emissions from AusNet's inventory, accounting for 14 of the 32 percentage points in the overall reduction.



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