



PUBLIC DISCLOSURE STATEMENT

OVO ENERGY

PRODUCT CERTIFICATION
2020

Australian Government
Climate Active
Public Disclosure Statement



NAME OF CERTIFIED ENTITY: OVO Energy Pty Ltd

REPORTING PERIOD: 1 January 2020 – 31 December 2020

Declaration

To the best of my knowledge, the information provided in this Public Disclosure Statement is true and correct and meets the requirements of the Climate Active Carbon Neutral Standard.

Signature:

A handwritten signature in black ink, appearing to read 'Mark Yemm'.

Date: 19/04/2021

Name of Signatory: Mark Yemm

Position of Signatory: CEO & MD



Australian Government
Department of Industry, Science,
Energy and Resources

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1. CARBON NEUTRAL INFORMATION

Description of certification

This PDS relates specifically to OVO Energy's electricity 'Product' that is created by OVO Energy when it buys electricity from the National Electricity Market (NEM) and on-sells that electricity to its retail customers under the OVO Energy brand.

It is this Product which is accredited under the Climate Active Carbon Neutral Program. Further information about OVO Energy can be found at www.ovoenergy.com.au.

For the purposes of this initial assessment, the total electricity sold to OVO Energy customers is based on a forecast for the period - taking into account the full calendar year of 2020. The life cycle assessment approach is cradle to grave, considering all elements of the supply chain, as itemised in the emissions boundary diagram below.

The functional unit is 1 kWh of electricity provided to the end consumer. OVO Energy's carbon neutral electricity is a full coverage product; a customer is not required to opt-in to receive it.

"Climate change affects us all – regardless of where we live, what we do for a living or what we believe. Working with Climate Active we want to help deliver a carbon zero future for Australian energy consumers"

Organisation description

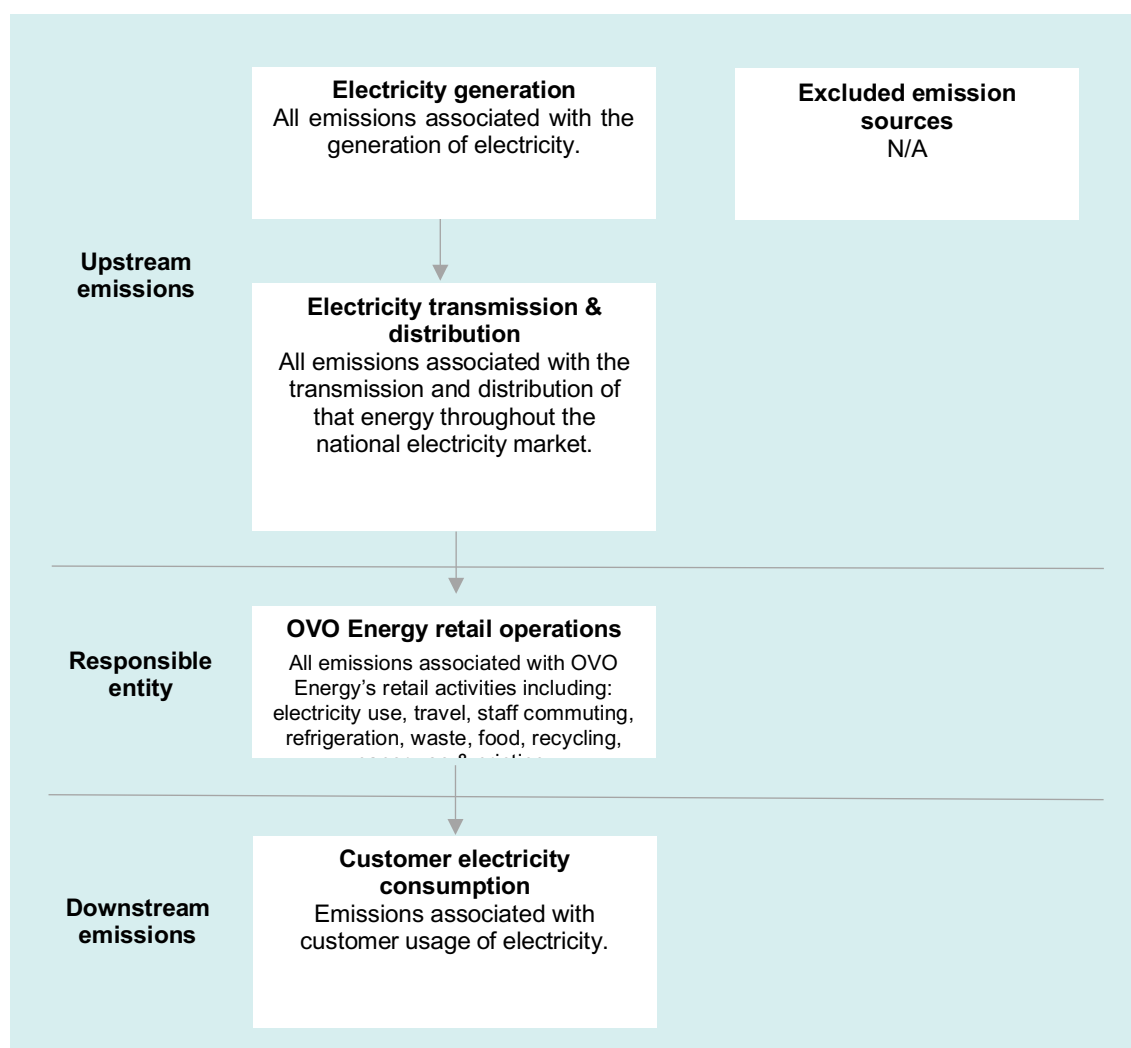
OVO Energy is an Australian-based residential energy retailer that commenced trading to the public on 19th December 2019. OVO Energy now retails electricity to customers in NSW, QLD, SA and VIC.

OVO Energy has a proven track record in the UK, where it currently retails electricity and gas to over 5 million households. OVO also holds electricity licences in Spain and France, where it has recently launched retail businesses.

OVO Energy is working to increase the amount of renewable energy in the Australian national electricity market and ensuring its customers go carbon neutral with their energy. This is something that, as a Group of companies, we're committed to. More information on our plan to be Carbon Neutral throughout all of our business by 2030 is available at www.ovo.com.

Product process diagram

The following diagram is cradle to grave:



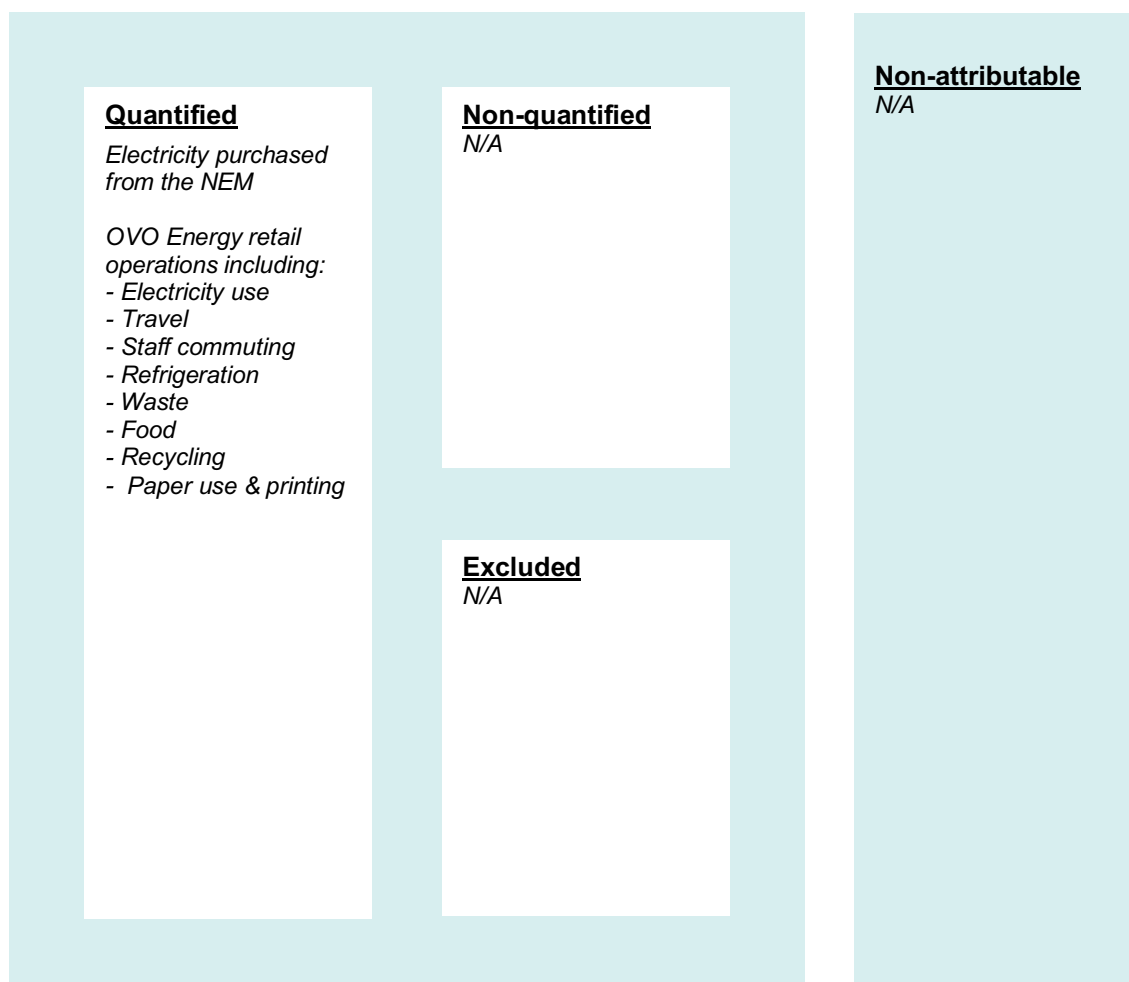
2. EMISSION BOUNDARY

Diagram of the certification boundary

OVO Energy retails electricity bought from the National Electricity Market (NEM) to end user customers in New South Wales, Queensland, South Australia and Victoria.

The diagram below represents a greenhouse gas emissions boundary consistent with the requisite life cycle assessment (LCA) approach for a final electricity product consumed by an end-user. The boundary of OVO Energy's electricity product incorporates GHG emissions associated with the extraction, production and transport of fuels, the electricity generation, the transmission and distribution to OVO Energy customers, and all emissions related to our activities as an organisation.

At the end of the reporting period, we will reconcile the forecast against actuals and a true up will occur.



Attributable non-quantified sources

All attributable processes and emissions sources within the certification boundary are identified above and include all Scope 2 and Scope 3 emissions associated with the generation, distribution, sale and supply of electricity to our customers, throughout the Eastern States of Australia. There are no non-quantified attributable sources.

Data management plan

N/A

Excluded sources (within certification boundary)

All emission sources within the certification boundary have been identified and considered.

Non attributable sources (outside certification boundary)

N/A

“It is hard for people to know how to take impactful actions to address the challenge of Climate Change. Working with Climate Active, we’re making it simpler for our customers to make a big difference.”

3.EMISSIONS SUMMARY

Emissions reduction strategy

Since this will be OVO Energy's first year of measurement and reporting, we do not expect to implement an emissions reduction strategy. However, we are constantly looking for ways to optimise and reduce our energy consumption as a business, and also find innovative ways to help our customers reduce their own emissions. We therefore expect to encourage reductions through:

- Our online portal (MyOVO) which is available free of charge to all customers and allows them to easily track their electricity usage, carbon footprint for electricity, and to make informed decisions in order to reduce their electricity consumption - and therefore reduce emissions.
- A smartphone application - which will provide the same functionality as mentioned above, through a dedicated smartphone app available on both iOS and Android.
- Offering other electricity retail adjacent devices and services (e.g. solar panels, batteries, EVs etc.) to help customers reduce their own electricity demand.
- Actively encourage all personnel to be aware of their actions, and wherever possible or appropriate curb their emissions.

Emissions over time

Since this is our first year of measurement and reporting, we have no measurement of emissions over time.

Functional units

Table 1

	Number of functional units
<i>a) Number of functional units sold this period</i>	5,876,334
<i>b) Number of functional units to be forward offset demonstrating commitment to carbon neutrality (true-up to be conducted at the end of the reporting period)</i>	5,876,334

Emissions summary (inventory)

Using the activity calculators provided by Climate Active, OVO Energy has evaluated and forecast expected activity data, based on Melbourne premises, staff commuting and business travel for 2020, itemised below:

Table 2

Emissions Summary		
Scope	Emission source	t CO2-e
2	OVO Energy retail related emissions at 120 Spencer Street, Melbourne, VIC premises (including electricity consumption, paper usage, waste, travel etc.).	741
2	OVO Energy Electricity Product, total electricity consumed in NSW is forecast as 2377118 kWh. t CO2-e is calculated utilising the NGA GHG emission factor of 0.81	1,925
2	OVO Energy Electricity Product, total electricity consumed in Queensland is forecast as 2121388 kWh. t CO2-e is calculated utilising the NGA GHG emission factor of 0.81	1,718
2	OVO Energy Electricity Product, total electricity consumed in South Australia is forecast as 638699 kWh. t CO2-e is calculated utilising the NGA GHG emission factor of 0.43	275
2	OVO Energy Electricity Product, total electricity consumed in Victoria is forecast as 739129 kWh. t CO2-e is calculated utilising the NGA GHG emission factor of 0.98	724
3	OVO Energy Electricity Product, total electricity transported and distributed in NSW is forecast as 2377118 kWh. t CO2-e is calculated utilising the NGA GHG emission factor of 0.09	214
3	OVO Energy Electricity Product, total electricity transported and distributed in Queensland is forecast as 2121388 kWh. t CO2-e is calculated utilising the NGA GHG emission factor of 0.12	255
3	OVO Energy Electricity Product, total electricity transported and distributed in South Australia is forecast as 638699 kWh. t CO2-e is calculated utilising the NGA GHG emission factor of 0.09	57
3	OVO Energy Electricity Product, total electricity transported and distributed in Victoria is forecast as 739129 kWh. t CO2-e is calculated utilising the NGA GHG emission factor of 0.11	81
Total inventory emissions		5,964
Net emissions per functional unit		<i>0.0010</i>
Carbon footprint		<i>5,964</i>

This is a projection of emissions for the first year of certification, and therefore forms our base year of assessment. There are two key parts associated with the emissions disclosed within this statement; customer related emissions and those relating to our own retail activities.

Uplift factors

Table 3

Reason for uplift factor	tonnes CO ₂ -e
5% to account for immaterial items	3
<i>Total uplift factors</i>	3
<i>Total to offset</i> (Carbon footprint + total uplift factors)	5,967

Carbon neutral products

N/A

4. CARBON OFFSETS

Offset purchasing strategy: forward purchasing

OVO Energy will utilise Verified Carbon Units (VCU) under the Verified Carbon Standard or other comparable programs for offsetting all forecast Scope 2 and Scope 3 emissions associated with the OVO Energy carbon neutral electricity product. These certificates are purchased and retired. Excess offsets that have been surrendered for this reporting period will be banked for future use. Only Climate Active eligible carbon offsets will be used in these activities. A true-up will occur at the end of the reporting period and, if required, additional offsets will be purchased to account for any underestimation of emissions.

Table 4

Forward purchasing summary	
1. Total offsets previously forward purchased for this reporting period	Zero
2. Total offsets required for this reporting period	5,967
3. Net offset balance for this reporting period	5,967
4. Total offsets to be forward purchased for next reporting period	Zero

Offsets summary

Table 5

1. Total offsets required for this report				5,967					
2. Offsets retired in previous reports and used in this report				Zero (base year report)					
3. Net offsets required for this report				5,967					
Project description	Eligible offset units type	Registry unit retired in	Date retired	Serial number (including hyperlink to registry transaction record)	Vintage	Quantity (tonnes CO2-e)	Quantity used for previous report	Quantity banked for future years	Quantity used this report
Kornburi Wastewater Treatment with Biogas production (Thailand)	VCUs	VERRA	02/11/2020	8924-54218392-54223191-VCS-VCU-291-VER-TH-13-82-01012014-31122014-0 https://registry.terra.org/myModule/rpt/myrpt.asp?r=206&h=121221 8925-54223192-54224391-VCS-VCU-291-VER-TH-13-82-01012013-31122013-0 https://registry.terra.org/myModule/rpt/myrpt.asp?r=206&h=121222	2013 - 2014	6,000	0	33	5,967
<i>Total offsets retired this report and used in this report</i>								-	5,967
<i>Total offsets retired this report and banked for future reports</i>								33	-

5. USE OF TRADEMARK

OVO Energy will use the Climate Active trademark across a number of different marketing and communication channels. Use of the Climate Active trademark will be captured in a register. This register is maintained by OVO Energy's marketing team; expected use of the trademark is listed below:

Table 6

Description where trademark used	Logo type
Website - Home page	Certified product
Website - Our plan(s) page	Certified product
Website – Sustainability information page	Certified product
FAQs page - About Carbon Neutral	Certified product + short blurb about Climate Active
Customer account (online)	Certified product + short blurb about Climate Active
Customer account (smartphone app)	Certified product + short blurb about Climate Active
Digital marketing	Certified product for use in banner advertising, along with short blurb for PPC advertising.

6. ADDITIONAL INFORMATION

With regards to gaining a clear picture of electricity units sold to end customers, at the end of this period (31st December 2020) the actual amount of electricity supplied to end-customers will be derived from Australian Energy Market Operator (AEMO) invoices, representing what was actually bought and delivered to customers over that time frame.

OVO Energy will also more accurately report on emissions relating to its organisation, in the process of retailing electricity to customers (i.e. emissions relating to OVO employees and premises).

OVO Energy will then lower the total carbon footprint associated with this to zero by the voluntary surrender of Verified Carbon Units (VCU) under the Verified Carbon Standard program or other comparable programs. This will be done upfront, but then at the end of the period, a true-up for over-usage / under-usage will be implemented, and any additional certificates bought and surrendered or retained for future offsets. The emissions from the electricity purchased by OVO Energy and sold to customers are categorised as:

- **Scope 2** - Indirect GHG emissions: The release of greenhouse gas as a result of electricity generation, heating, cooling or steam - that is consumed by a facility.
- **Scope 3** - Indirect GHG emissions: Emissions are all indirect emissions that occur as a consequence of the activities of the organisation but occur from sources not owned or controlled by the organisation.

The functional unit is 1 kWh of electricity to the consumer. The tCO₂-e / kWh produced by the sale of this electricity has been calculated by:

1. Forecasting expected sales activity in each state (NSW, Queensland, SA and VIC)
2. Calculating the total volume (kWh) of electricity that will need to be purchased by OVO Energy for those customers in each state;
3. OVO Energy's standard market offer is a 10% GreenPower accredited tariff and so there is a forecast of 10% GreenPower offset. LGCs will be retired in line with the requirements of the GreenPower scheme, and OVO's activities will also be audited and published online. (Note: OVO Energy also offers a 100% GreenPower tariff, but for the purposes of this forecast has assumed uptake to be zero; a true-up for this will be required at the end of the period);
4. Scope 2 emissions are then calculated by multiplying the electricity volume (kWh) by the relevant Emission Factors for each state as shown in the NGA Factors (also provided in this document);
5. Scope 3 emissions are then calculated by multiplying the electricity volume (kWh) by the relevant Emission Factors for each state as shown in the NGA Factors (also provided in this document);
6. The sum of these multiplications is the total of tCO₂-e for the OVO Energy's electricity product sold to customers;
7. OVO Energy also calculates its organisational carbon emissions - this is all emissions related to its activities as an energy retailer, and includes electricity usage within its offices, paper usage, waste to landfill, recycling, postage, business travel (etc.). These are calculated against the corresponding and relevant Scope 2 and Scope 3 emissions values;
8. An uplift factor of 5% is added to the total emissions calculated, to cater for any immaterial items that may not have been attributed appropriately;
9. Verified Carbon Units (VCU) - under the Verified Carbon Standard program or other comparable programs - are then bought and surrendered to offset the tCO₂-e impact for OVO Energy's retail activities and customer-related emissions;
10. At the end of the period, OVO Energy will reconcile this forecast with actual invoices for electricity purchased via AEMO invoices, and observed retail-related activities within its organisation, and true up the over / under forecast to ensure 100% offset.

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

- NGA is listed as an appropriate source under Climate Active Programme;
- *The NGA and the Climate Active team are both part of the Department of Industry, Science, Energy and Resources;*
- NGA calculates the emissions associated with the production, distribution and consumption of electricity; and
- The methods used to generate the emission factors are consistent with international guidelines and are subject to international expert review each year.

The following tables are a copy of the relevant sections that set out emissions factors in the NGA Factors document for Scope 2 emissions.

State or territory emission factor	kg CO ₂ -e/kWh
New South Wales	0.81
South Australia	0.43
Queensland	0.81
Victoria	0.98

NGA Factors (Scope 2) emission factors for consumption of purchased electricity or loss of electricity from the grid – Table 5, National Greenhouse Accounts Factors Australian National Greenhouse Accounts October 2020

Scope 3 emission factors for transmission and distribution network operators are lower as they include only emissions attributable to the extraction, production and transport of fuels and not emissions attributable to the electricity lost in transmission and distribution networks. Transmission and distribution network operators should use the scope 2 factors in the table above and the following latest estimate scope 3 factors:

State or territory emission factor	kg CO ₂ -e/kWh
New South Wales / ACT	0.09
South Australia	0.09
Queensland	0.12

Victoria	0.11
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NGA Factors (Scope 3) emission factors for emissions associated with the transmission and distribution of electricity from the grid – Table 44, , National Greenhouse Accounts Factors Australian National Greenhouse Accounts October 2020