



2 October 2025

Re: Proposed Climate Change Licensee Requirements & Climate Change Mitigation and Adaptation Plan (CCMAP) Requirements – Consultation response

Dear Manager, Climate Change Policy,

Thank you for the opportunity to respond to the Proposed Climate Change Licensee Requirements, and proposed Mitigation requirements for CCMAPs, open for consultation from July 2025 to 7 October 2025. Please see below a response to the consultation questions on behalf of Sydney Water.

It is encouraging to see continuing progress and guidance developed for organisations striving towards sustainability goals and climate change action. Sydney Water is thankful for the opportunity to respond to this work and looks forward to collaborating further with the EPA on meeting our license requirements.

Sydney Water would be open to discussing our responses in more detail if required. If you have any further questions or comments on Sydney Water's responses, please contact to Elliot Cichero [REDACTED]

Yours sincerely,

A handwritten signature in black ink, appearing to read "Rachelle Legrand".

Rachelle Legrand
Head of Strategy Change and Performance
Sydney Water Corporation

Specific consultation questions and responses:

Note that these questions were taken from the Survey link on the 'Your say' website, filtered for those most applicable to Sydney Water. For the purposes of these responses, Sydney Water would fall into Tranche 2 of facilities that emit more than 25,000 tonnes of CO₂-e direct and indirect emissions. Sydney Water does not fall under the Safeguard Mechanism, nor does it operate any coal mines.

1. What are your views on the EPA's proposed climate change requirements for existing licensees?

Sydney Water is supportive of the proposed climate change requirements for existing licensees. Sydney Water is committed to clear and transparent reporting of our physical climate risk and mitigation measures to demonstrate progress towards effective climate risk management.

Sydney Water supports the EPA's position to reduce duplication of greenhouse gas emission calculations and reporting by reflecting existing requirements under the National Greenhouse and Energy Reporting (NGER) scheme. Sydney Water would like clarification on whether the EPA's and Clean Energy Regulator's definition of a 'facility' align. Within the consultation document the word 'facility' and 'premises' is used interchangeably throughout the requirements, which is also leading to some confusion. Sydney Water is committed to providing data that gives value to the EPA, meets the requirements of the license, and reduces duplication of reporting.

The document requests disclosures from Licensee's at a 'Facility' level, which introduces a layer of complexity for corporations which hold Environmental Protection Licenses (EPLs). The Clean Energy Regulator defines a Facility as a distinct boundary of operations which:

- a) Produces >25,000 tCO₂-e annually, or
- b) Produces more than 100 TJ of energy annually, or
- c) Consumes more than 100 TJ of energy annually.

As such, a Facility reported under NGER may be an aggregated facility, made up of many sites, premises and EPLs. Conversely, Sydney Water's EPLs cover activities from individual Water Resource Recovery Facilities (WRRFs) or 'premises', in addition to system / network activities. The difference in boundaries between these definitions could lead to misreported emissions to the EPA.

To give an example, under NGER Sydney Water reports seven 'Facilities', following guidance from the NGER Measurement Determination and Sydney Water's determination of facility boundaries & operational control. One of these Facilities (Facility A) details all emissions associated with wastewater treatment at WRRF 1, WRRF2, WRRF 3, WRRF 4, WRRF 5, and associated wastewater networks (5 separate EPLs). As reported to the CER, this facility meets the reporting threshold of 25,000 tCO₂-e, however these emissions predominantly come from WRRF 1 and associated networks EPL. If Sydney Water were to disclose its emissions for each EPL individually, only the WRRF 1 EPL would breach the reporting threshold of 25,000 tCO₂-e requested by the EPA's CCMAP.

In this example, would the EPA request Sydney Water to disclose its emissions for:

- Emissions for the Premises which breaches the reporting threshold of 25,000 tCO₂-e (WRRF 1)?
- Emissions for the EPL which breaches the reporting threshold of 25,000tCO₂-e (WRRF 1 and networks)?
- All 5 EPLs under Facility A individually (WRRF 1, WRRF 2, WRRF 3, WRRF 4, WRRF 5 & networks)?
- Emissions under Facility A as it is reported to the CER? (WRRF 1, WRRF 2, WRRF 3, WRRF 4, WRRF 5 & networks aggregated as a single Facility)

2023-24 data (rounded)	WRRF 1 (License z)	WRRF 2 (License y)	WRRF 3 (License x)	WRRF 4 (License w)	WRRF 5 (License v)
Scope 1 emissions (Premises) – tCO ₂ -e	1,460	930	1,560	1,510	250
Scope 2 emissions (Premises) – tCO ₂ -e	25,850	5,560	9,980	10,630	2,330
Individual Facility emissions – tCO ₂ -e	27,310	6,490	11,540	12,140	2,580
Scope 2 emissions (Network) – tCO ₂ -e	4,030	1,060	340	4,290	200
EPL emissions (including Scope 2 emissions from network) – tCO ₂ -e	31,340	7,550	11,880	16,430	2,780
Total 'Facility' Emissions – tCO ₂ -e			70,000		

2. Are the EPA's proposed timeframes for annual emissions reporting and CCMAPs suitable in light of NGERs and Safeguard Mechanism reporting obligations?

Yes, the proposed timeframes for emissions reporting are suitable considering NGERs reporting obligations. Sydney Water will submit its annual NGERs report for the 2025-26 financial year on 31 October 2026, which would allow sufficient time to prepare a complimentary Climate Change Emissions Report by 28 February 2027 and subsequent years thereafter.

Similarly, Sydney Water is in a position to make a CCMAP publicly available by 31 October 2027 which will complement our annual disclosure to NSW Treasury under TPG24-33.

3. What are your views on the EPA's proposed mitigation requirements for licensee CCMAPs?

Sydney Water is supportive of the proposed mitigation requirements for a licensee's CCMAP. Sydney Water currently discloses climate risk alongside its annual report as required by NSW Treasury under TPG24-33 and believes that this disclosure will cover many of the requirements sought by the CCMAP. We note that this disclosure requirement wasn't covered in section 2.2.2 of the consultation document; where gaps between disclosure requirements and CCMAPs are specified, Sydney Water would support publishing an addendum to meet licensee requirements. Similarly, Sydney Water would support any guidance on proposed Adaptation requirements under a CCMAP. The option to prepare a singular CCMAP for the organisation, ensuring each EPL is addressed within the plan, is also supported.

4. What additional assistance or resources do licensees need to assist them to compile a CCMAP?

Section 3.1.2 of the consultation document discusses calculation and disclosure of Scope 3 emissions. Scope 3 emissions are an emerging space of GHG accounting, and many corporations have not completed an inventory assessment to determine an appropriate boundary, data collection, or materiality assessment. Due to the sector-specific and organisational-specific nature of Scope 3 emissions, they are not currently covered by the NGER scheme and do not have a standardised method available for reporting.

Sydney Water suggests further resources and methods for calculation would be required for organisations to confidently disclose their Scope 3 emissions – either through an ‘Input / Output’ method (using estimates of emissions from financial spend), a ‘Hybrid’ method (using more detailed assumptions on specific activities), or ‘Direct measurement’ (using raw data from upstream and downstream customers). Sydney Water currently has >2,000 suppliers, so guidance on appropriate materiality thresholds would be needed to meet this CCMAP requirement.

Section 3.1.3 requires emission estimates for the next 10 years. Sydney Water understands that there are many different projections for grid-decarbonisation and associated emission factors for electricity consumption. It is suggested that the EPA provide guidance on an appropriate decarbonisation forecast and assumptions to use, ensuring that these factors can be related back to reported emissions.

Section 3.1.3 has a consultation question acknowledging that commercially sensitive information could be revealed by publishing a 10-year emission estimate. Sydney Water would suggest that this forecast could be made based on current operating conditions of an organisation (e.g. as of the publication of the CCMAP), which would omit emissions associated with potentially commercially sensitive business activities. This would demonstrate the intent of an organisation to meet Net Zero, whilst also avoiding greenwashing as much as possible.

Sydney Water acknowledges that no requirements for Adaptation measures have been made available for comment for a CCMAP. When requirements are made available, Sydney Water would welcome the opportunity to respond to those requirements. Sydney Water is optimistic that our existing disclosure under TPG24-33 for NSW Treasury would satisfy many of the proposed requirements.

5. Do you have any views on requirements for Scope 2 emissions for EPA licensees generally (not limited to coal mining)?

In line with emerging guidance on reporting Scope 2 emissions, Sydney Water would support a recommendation to report Scope 2 emissions using a ‘Location-based’ emission factor and an optional ‘Market-based’ emission factor (where applicable). Sydney Water believes that reporting both figures gives insight to an organisation’s decarbonisation plan (market-based), as well as an indication of the organisation’s carbon footprint using a comparable benchmark (location-based).