

What To Know As We Move Towards 2022: Energy Commitments, Improvements, and Government Programs

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The SBTi Net-Zero Standard is the first Australian guideline helping companies set science-based emissions reduction targets aligned with limiting global temperature rise to 1.5 degrees C. It requires near-term targets within 5-10 years and long-term targets by 2050. Critically, carbon offsets don't count toward these targets, placing emphasis on actual Scope 1, 2, and 3 emissions reductions. Businesses must prioritize genuine operational decarbonization rather than relying on offset purchases. Our carbon advisory services, including transition planning and opportunity assessment, help organizations develop credible reduction pathways and track progress against science-based commitments.

Publication context: This article reflects its publication date. Market prices, program rules, reporting duties and deadlines may have changed. Confirm current official guidance before making a decision.

We are at an exciting turning point as we reimagine how to develop, use, and connect with the energy landscape. With the international community coming together in Glasgow for Cop26 and the establishment of the Science-Based Targets initiative (SBTi), we are gaining momentum towards reaching a cleaner, more vibrant economy.

Australian industry is making bold commitments of its own to achieve science-based targets that stay in line with keeping global climate change under 1.5 degrees Celsius. This is positive for environmental health, and it also demonstrates savviness as Australia embraces technological advancement and innovation to drive economy into a bright future.

To prepare for the changing nature of business, these are programs, ideas, and initiatives that should be on your radar:

SBTi Launches Net Zero Standard

Developed through a multi-stakeholder process, the SBTi is the first Australian guideline to help companies set science-based emissions reductions targets designed to keep emissions in line with maintaining global temperature rise under 1.5 degrees Celsius.

"The Net-Zero Standard gives companies a clear blueprint on how to bring their net-zero plans in line with the science, which is non-negotiable in this decisive decade for climate action. Because we are running out of time."

These targets include 1) near-term targets that must be met within 5-10 years of submitting a plan to SBTi and 2) long-term targets that need to be hit by or before 2050. Under the SBTi, carbon offset programs do not count towards near or long-term targets, placing real emphasis on companies to reduce their Scope 1, 2, & 3 emissions.

Thinking about setting a Net-Zero target? Talk to us about your carbon reduction strategy .

Australian Carbon Credit Unit (ACCU) Price Increase

Increased demand from heavy polluters caused ACCU prices to soar this year. Even with increased supply of ACCU from the Clean Energy Regulator (CER), there has been unprecedented demand as companies that have surpassed government-set emissions levels scramble to offset their pollution.

The ACCU price surge benefits organisations that are voluntarily generating credits through energy efficiency, biogas generation and fuel-switching.

Carbon credits will continue to have their place and prices will likely continue rising as carbon neutrality maintains popularity. With greater focus on SBTi protocol, it is probable that their prevalence will shift as more companies embrace SBTi methods and prioritize their own emissions reductions over carbon offsets.

If you haven't factored ACCU pricing into your next project, now is the time to reconsider how the carbon value of your projects can be realised to boost the energy productivity of your business as the world transitions to net-zero.

Shadow Carbon Price

While the concept of a shadow carbon price is not new, it should be given considerable thought if your organisation is not currently factoring the price of carbon into your investment or business operation strategy. With more and more governments announcing net-zero commitments, a cross border adjustment mechanism as proposed by the EU or other form of mandated carbon emissions control mechanism may be right around the corner. Hedging against those changes by incorporating a shadow price for carbon into current financial planning presents a good way to prepare for potential policy change.

Upcoming Government Programs

Program implementation will make considerable funds available for technological implementation and innovation.

Energy Efficient Communities (EEC) Program - This is an Australian wide program that opens on 12 Jan 2022 at 9am AEDT. This grant provides food & beverage manufacturing businesses (with less than 200 employees) up to \$25,000 to improve energy efficiency practices and technologies and better manage energy consumption to reduce their power bills. The program can provide grants towards energy efficiency projects, including: - installing energy efficient equipment (not including solar PV) - installing energy metering & monitoring systems - energy audits to identify opportunities - compressed air system audits - developing an energy management plan - feasibility assessments of energy projects (not including solar PV)

Business Decarbonisation Program - The NSW Government is investing \$22 million towards helping businesses reduce their carbon emissions. Their plan is to provide strategy, monitoring, technological improvements, and skills training in order to lead businesses forward and build a workforce capable of identifying opportunities and implementing improvements to reach net-zero emissions. The program will have four areas of focus which will be progressively rolled out over 2021/22: 1. Strategic planning for net zero 2. Metering and monitoring 3. Targeted technical services 4. Industry upskilling

Victorian Government - Infrastructure Victoria and Department of Environment Land Water Planning will provide final advice on December 31, 2021 on how to best use the gas transmission and

distribution networks to stay on track to reach net-zero emission by 2050. Tasmania is engaging in similar discussions related to natural gas infrastructure and is still at the initial phases of discussion and consultation.

Net Zero Industry & Innovation Program - NSW Government strategy to partner with industry in order to reduce emissions, boost the economy, and spur job growth by investing \$750 million. This grant funding is set to encourage innovation in technology and develop pilot programs for innovative methods at implementing low-carbon technology. The Program has three areas of focus: 1. Clean Technology Innovation (\$195 Million) - supporting the development and continued innovation of emerging clean technologies 2. New Low Carbon Industry Foundations (\$175 Million) - laying the foundations for low emissions industries by building enabling infrastructure and increasing the capability of our supply chains 3. High Emitting Industries (\$380 Million) - deploying low emissions technologies and infrastructure to reduce the emissions associated with existing, high emitting industrial facilities Talk to us today about any of these upcoming programs or what other energy efficiency support may be suitable for your business now and in 2022.

Energy management may not be your business focus, yet it is becoming more deeply engrained in all business operations as Australia follows through on its commitments to reach net-zero. Staying abreast of these trends, new programs and changes is a powerful way to stay informed, prepared, and in a position to capitalize on the changing energy landscape.

Using this guidance

Check the site's operating conditions, data quality, project stage and current program settings before turning the dated discussion into a scope or investment decision.

Related guidance

Energy audits

Measurement and verification

Contact us

Read the original article for the source publication and its full context.

What is the SBTi Net-Zero Standard and why does it matter for Australian businesses in 2022?

The SBTi Net-Zero Standard is the first Australian guideline helping companies set science-based emissions reduction targets aligned with limiting global temperature rise to 1.5°C. It requires near-term targets within 5-10 years and long-term targets by 2050. Critically, carbon offsets don't count toward these targets, placing emphasis on actual Scope 1, 2, and 3 emissions reductions. Businesses must prioritize genuine operational decarbonization rather than relying on offset purchases. Our carbon advisory services, including transition planning and opportunity assessment, help organizations develop credible reduction pathways and track progress against science-based commitments.

Why did ACCU prices increase in 2021 and what does this mean for energy efficiency projects?

ACCU prices surged in 2021 due to unprecedented demand from heavy polluters required to offset emissions under government thresholds, even as the Clean Energy Regulator increased supply. This price increase benefited organizations voluntarily generating credits through energy efficiency, biogas, and fuel-switching projects. Rising carbon values enhance the financial case for emissions-reduction investments. We assist clients in assessing ACCU project eligibility, managing registration processes, and developing measurement and verification strategies to capture carbon credit value from operational improvements.

What is a shadow carbon price and how should businesses incorporate it into planning?

A shadow carbon price is an internal cost assumption businesses apply to carbon emissions in financial planning, even where no formal carbon tax currently applies. With governments announcing net-zero commitments and mechanisms like the EU's proposed border adjustment being considered, incorporating a shadow price hedges against future policy changes. This approach shifts investment decisions toward lower-carbon options and prepares organizations for regulatory evolution. Our transition planning and investment case services help businesses model carbon cost scenarios and build resilient decarbonization strategies that remain attractive under varying policy outcomes.

What does the Energy Efficient Communities Program offer to food and beverage manufacturers?

The EEC Program, opening January 12, 2022, provides food and beverage manufacturers with fewer than 200 employees up to \$25,000 for energy efficiency improvements. Eligible activities include energy-efficient equipment installation (excluding solar), metering and monitoring systems, energy audits, compressed air assessments, energy management planning, and feasibility studies (excluding solar). The program targets businesses seeking to reduce power bills through practical efficiency measures. Our energy audit, feasibility assessment, and measurement planning services align directly with EEC eligibility requirements, helping manufacturers prepare competitive applications and implement funded improvements.

How does the NSW Business Decarbonisation Program support organizational emissions reduction?

The NSW Government's \$22 million program provides strategy, monitoring, technological improvements, and skills training to help businesses reduce carbon emissions. Four progressive focus areas include strategic planning for net zero, metering and monitoring systems, targeted technical services, and industry upskilling. The program recognizes that emissions reduction requires integrated support across planning, measurement, implementation, and capability development. We deliver NSW CCMAP support services, carbon strategy development, and measurement and verification expertise that directly align with program objectives, helping eligible businesses access support and execute credible decarbonization roadmaps.

What is the Net Zero Industry & Innovation Program and how does it address high-emitting facilities?

The Net Zero Industry & Innovation Program allocates funding across three areas: industry-wide transformation, low-carbon industry foundations (\$175 million), and high-emitting industries (\$380 million). The high-emitting industries component deploys low-emissions technologies and infrastructure to reduce emissions from existing industrial facilities. This targeting recognizes that significant decarbonization requires substantial investment in technology deployment and infrastructure change at major emitting sites. Our energy optimization services, carbon management strategy, and transition planning capabilities help industrial clients identify technology pathways, assess funding eligibility, and implement infrastructure improvements aligned with program objectives.

Why are Victoria and Tasmania reviewing gas infrastructure in 2021-22?

Infrastructure Victoria and Tasmania's Department of Environment Land Water Planning were assessing how to utilize gas transmission and distribution networks to align with net-zero emissions targets by 2050. The assessment determines whether existing gas infrastructure can be repurposed for alternative uses like hydrogen or biogas, decommissioned, or transitioned to support renewable energy integration. These infrastructure decisions affect industrial and commercial decarbonization pathways. Our feasibility assessments for electrification, renewable heat options, and process decarbonization help clients understand how evolving gas infrastructure availability influences their energy transition strategies and technology choices.

How can organizations prepare for the combined effect of these 2022 initiatives?

Organizations should align three concurrent developments: science-based emissions targets under SBTi standards, rising carbon values from ACCU market pricing, and government decarbonization support programs. Effective preparation requires establishing baseline emissions, identifying priority reduction opportunities, understanding program eligibility, and developing credible transition plans. Organizations should avoid treating offsets as primary solutions and instead focus on measurable operational improvements. Our comprehensive approach—spanning carbon diagnostics, energy audits, feasibility assessment, investment case development, and measurement and verification—enables businesses to integrate these drivers into coordinated decarbonization strategies and capitalize on available support mechanisms.