

NZ-EC redemption for Scope 3 T&D loss

New Zealand Energy Certificates (NZ-ECs) are New Zealand's premier green product. By using NZ-ECs, organisations can immediately reduce their reportable electricity-related Scope 2 emissions, and accelerate the renewable transition.

Taking greater responsibility for their impact, organisations are now increasingly measuring and reducing their value chain-related Scope 3 emissions, which in many cases, can account for 70% to 90% of their total emissions.

Recognising the importance of Scope 3 emissions accounting, BraveTrace has extended its guidance on how organisations can use NZ-ECs to address their fuel and energy-related activities classified under Scope 3 Category 3 in the Greenhouse Gas (GHG) Protocol. These activities encompass the indirect emissions associated with the production, transmission, and delivery of fuel and energy purchased by an organisation, which are not accounted for in Scope 2. Examples of these activities are electricity transmission and distribution losses, and electricity consumption associated with the use of a product sold or service provided by an organisation.

We encourage organisations to redeem NZ-ECs against their Scope 3 Category 3 emissions, under these conditions:

1. You have the authority or operational control to request allocation of NZ-ECs against your Scope 3 Category 3 energy-related emissions.
2. There is sufficient communication with all involved parties to reduce occurrences of double-claiming. E.g. in the case of T&D loss, the distribution & transmission network company and the energy user.
3. The redemption is accurately tracked within BraveTrace New Zealand Energy Certificate System (NZECS) to prevent any double-counting and ensure removal from the Residual Supply Mix (RSM).

By enabling these best practices, BraveTrace strengthens verifiability and traceability, and empowers organisations to further support renewable energy.