



METHANE  
GUIDING  
PRINCIPLES

# Methane Guiding Principles Signatory Reporting

APA Group

December 2022





COMPANY: **APA Group**

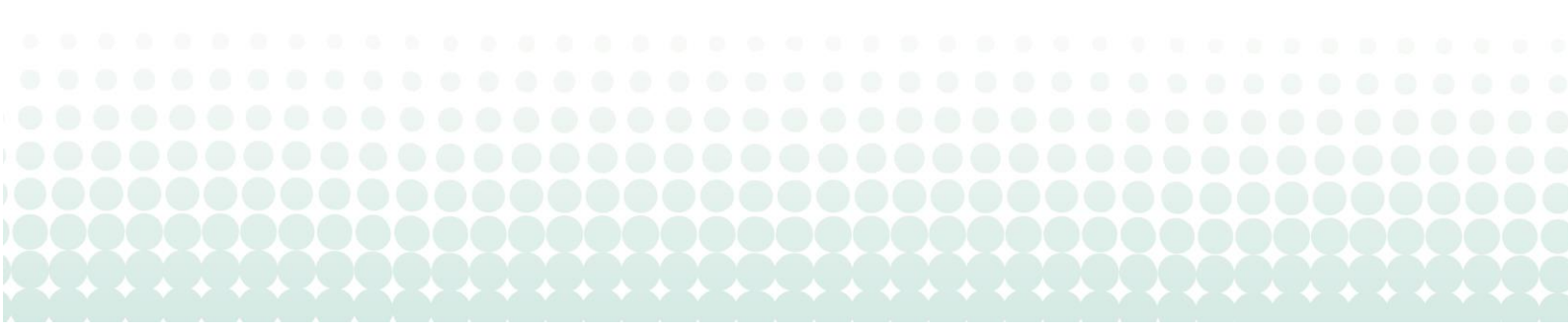
YEAR OF JOINING METHANE GUIDING PRINCIPLES: **March 2022**

SENIOR REPRESENTATIVE: **Stuart Davis, Group Executive Operations**

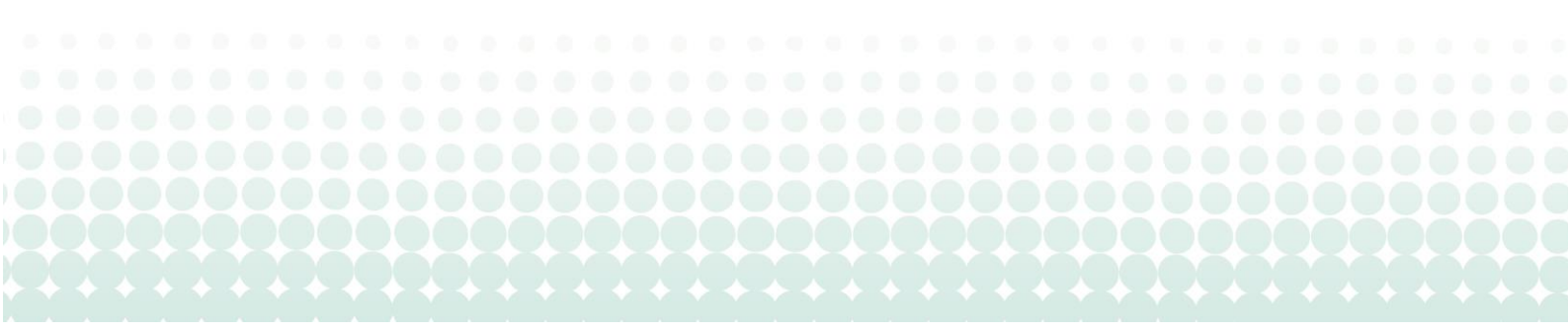


## **Principle One:** Continually reduce methane emissions

- Please state what specific activities or projects your company has undertaken to reduce methane emissions. Please refer to the previous year's annual MGP reporting where applicable to refer to intended activity. Link to sustainability report where relevant to provide further detail.
- Describe how the reduction was achieved including description of the asset type, technology type, timeframe. What was the end result?
- Provide data to support your description e.g. the actual amount of emissions reduction achieved, or the reduction in methane intensity.



2022 completed activity	2023 intended activity
<p>APA became a signatory to the Methane Guiding Principles (MGP) in March 2022. In August 2022 APA released its inaugural climate transition plan (CTP) <a href="https://www.apa.com.au/climate-transition-plan-2022">climate-transition-plan-2022 (apa.com.au)</a>. Our CTP included commitments relating to methane emissions.</p> <p>We undertook a gap analysis of current activities against requirements of Methane Guiding Principles and became a signatory. This identified areas of focus for APA.</p> <p>We identified four material opportunity areas to reduce emissions from gas infrastructure. These are (1) compressor methane emissions, (2) site methane emissions, (3) compressor and operational efficiency and (4) compressor electrification.</p> <p>Further detail on these is available on page 28 of our CTP.</p> <p>Next year we will set a methane target. To date we have completed benchmarking which determined potential target ranges. This involved benchmarking peers' methane targets, methane performance and estimation method</p> <p>Practical steps have been taken to reduce methane emissions. This included:</p> <ul style="list-style-type: none"> <li>• Implementing pipeline flaring rather than venting during project works on Koonoomoo pipeline in July 2022</li> <li>• Block mains replacement program in our part owned but APA operated Allgas distribution network. The program replaces old cast iron steel with polyethylene pipe.</li> </ul> <p>APA existing methane emissions reporting method for transmission pipelines is length of pipeline multiplied by an emission factor provided by the National Greenhouse and Energy Reporting (NGER) legislation. This current method means that if pipeline length stays the same it is not possible to reduce our reported methane emissions.</p>	<p>APA will focus on the following areas:</p> <ul style="list-style-type: none"> <li>• Setting a methane reduction target.</li> <li>• Identification of asset-specific opportunities as part of our ongoing asset management and performance planning. This will be embedded into our asset management processes.</li> <li>• Completion of an engineering study to implement mobile flaring, blowdown &amp; seal recovery and gas recovery</li> <li>• Implementing enhanced LDAR on our Goldfields Gas Pipeline</li> <li>• Integration of avoidance of methane emissions into the concept development and front-end engineering design stages of any new gas-related infrastructure</li> <li>• Undertaking a gap assessment against all methane emissions reduction best practices for gas transmission infrastructure</li> <li>• Continue with the block main replacement program in the Allgas distribution network until it concludes in FY28 (estimated).</li> </ul>







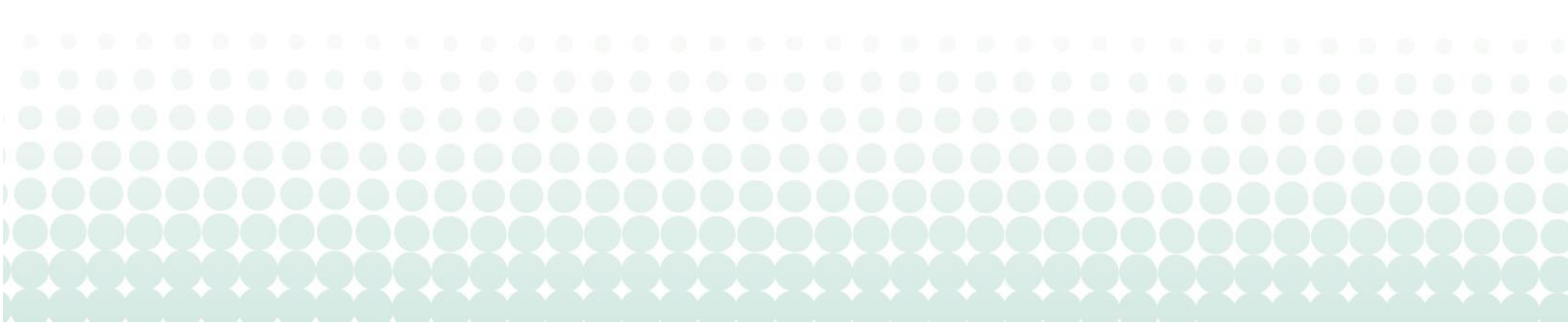
## Principle Two:

### Advance strong performance across the gas supply chain

Please include answers to the following questions:

1. Did you participate in any methane research or plan to do so?
  2. Did you conduct any outreach on methane management?
- Describe what action you have taken to engage industry players across the value chain to better understand how to achieve robust methane emissions management. Outreach activity could include training sessions, participation in webinars, influencing of NOJV partners, or publication of guidance. Activity could also include commercial incentives or engagement with investors to drive better performance by others.
  - Provide details of any outcomes that resulted from your action.

2022 completed activity	2023 intended activity
<p>APA participated in a number of forums and working groups, including:</p> <ul style="list-style-type: none"> <li>• The Australian Pipeline Gas Association (APGA) greenhouse gas emissions working group which is focused on bringing pipeline operators together to collaborate on reducing greenhouse gas emissions.</li> <li>• A West Australian Methane Working Group focused on collaborating on understanding, measuring and reducing methane emissions in our operations.</li> </ul>	<p>APA will continue to collaborate with the APGA emissions working group and the West Australian methane working group.</p> <p>Engage with the operators of our owned assets on methane emissions reduction and measurement best practice</p>



### Principle Three: Improve accuracy of methane emissions data

- Describe action taken to improve methane emissions data collection methodologies. This could be application of new technology at an operated site(s), investment and participation in R&D initiatives, development of monitoring/modelling software, or support to research that improves the accuracy of the quantification of methane emissions.
- Where new technology /software has been piloted or adopted, it is helpful to describe how it works, the reasons it was selected, and how it was deployed. Any data that can be shared to demonstrate improvements is useful.
- How these new methods/technologies have been adopted into your accounting process if at all.

2022 completed activity	2023 intended activity
<p>APA studied a range of alternative methane measurement methods aimed at improving the accuracy of our reported methane emissions. This included NGER higher order, Oil and Gas Methane Partnership (OGMP 2.0), US EPA and unallocated for gas methods.</p> <p>This had led to APA running a procurement exercise to engage a consultant to understand the implications for APA of adhering to OGMP 2.0.</p> <p>Site level measurements of methane emissions using a FLIR camera were undertaken at one of our compressor stations. This enhanced our understanding of our actual methane emissions.</p>	<p>We will engage a specialist methane consultant to review the implications of implementing an enhanced measurement method, specifically the OGMP 2.0. The review’s scope will include identifying resource required, implications of initial and ongoing collection of data and impacts to existing emissions inventory. Additionally, we will review the implications of shifting to a higher order national greenhouse and energy reporting method for our operated Allgas distribution network.</p> <p>We will seek to advance source level measurement and commence surveys of some of our facilities to inform a transition to more accurate methane reporting methods.</p>



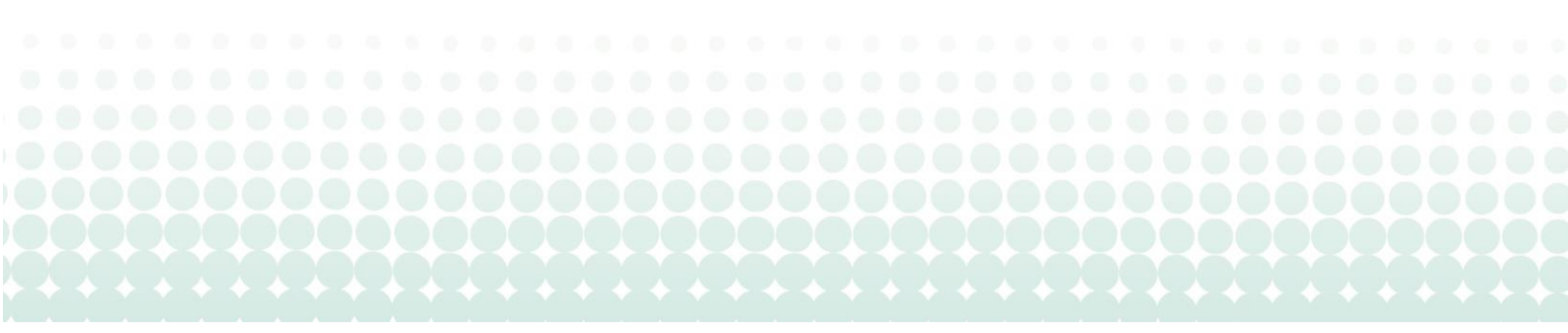
## Principle Four:

### Advocate sound policy and regulations on methane emissions

Advocacy consists of active participation in legal consultation processes, external policy statements, and direct engagement with government

- Consider providing details on the region or regulation involved, how you undertook your advocacy, others involved, and the outcome.

2022 completed activity	2023 intended activity
<p>APA released its inaugural Climate Change Policy in 2022.</p> <p>APA participated in the Safeguard Mechanism reform consultation process. This will establish declining baselines and a baseline and credit trading scheme for industrial facilities that emit over 100kTCO<sub>2</sub>e per annum.</p> <p>As part of this consultation, we highlighted the limitations associated with some of the legislated methane estimation methods.</p>	<p>Either directly or through the APGA emissions working group we intend to engage with the Department of Climate Change, Energy, the Environment and Water for enhanced methane emission estimation methods.</p>





## Principle Five: Increase transparency

Please include answers to the following question:

1. Are you participating in OGMP 2.0 or do you intend to do so? If you are participating in OGMP 2.0 you may provide a link to the website.
  - Describe what activity you have carried out e.g. providing information in relevant external reports on methane emissions data, methodologies, and progress and challenges in methane emissions management.
  - If you have contributed towards the standardisation of comparable external methane reporting describe the activity you have taken.

2022 completed activity	2023 intended activity
<p>APA did not participate in OGMP 2.0 in 2022.</p> <p>We disclosed fugitive methane emissions within our Climate Transition Plan <a href="https://www.apa.com.au/climate-transition-plan-2022">climate-transition-plan-2022 (apa.com.au)</a>. Refer to page 18 released in conjunction with our Sustainability Report.</p>	<p>We will engage a specialist methane consultant to review the implications of adhering to OGMP 2.0. This will inform a decision on whether APA will adopt OGMP 2.0 or otherwise.</p>



## Methane Emissions

<p><b>Do you report absolute methane emissions within your sustainability report?</b></p> <p><i>If so provide link.</i></p>	<p>Yes</p> <p><a href="#">climate-transition-plan-2022 (apa.com.au)</a></p> <p>Refer to page 18</p>
<p><b>Do you report a methane intensity within your sustainability report?</b></p> <p><i>If so provide link.</i></p>	<p>No</p>
<p><b>What are your organisation’s total absolute methane emissions?</b></p> <p>Provide a figure in tonnes.</p> <p>Provide latest data publicly available.</p>	<p>7972 tCH<sub>4</sub></p> <p><a href="#">climate-transition-plan-2022 (apa.com.au)</a></p> <p>Refer to page 18</p>
<p>State your methodology.</p>	<p>National Greenhouse and Energy Reporting 3.76 Method 1—natural gas transmission</p>
<p>State your reporting boundary.</p>	<p>Operational Control</p>
<p><b>What are your organisation’s methane intensity?</b></p> <p>Provide latest data publicly available.</p>	<ul style="list-style-type: none"> <li>• Not currently measured</li> </ul>
<p>State your methodology.</p>	<ul style="list-style-type: none"> <li>• NA</li> </ul>
<p>State your reporting boundary.</p>	<ul style="list-style-type: none"> <li>• NA</li> </ul>
<p><b>Do you have a methane emission target?</b></p> <p>If yes, please state what it is, including the boundaries and methodology.</p> <p>If no, are you developing such a target? Please state your intended timeline.</p>	<ul style="list-style-type: none"> <li>• A methane emissions target will be released in 2023</li> </ul>

## Commentary

