

Newsletter

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Introduction

On 27 April the Commonwealth Government announced that it would delay the implementation of the Carbon Pollution Reduction Scheme until at least the end of Kyoto commitment period which finishes at the end of 2012.

For some time now the NSW Government has advised that GGAS would continue until there is a national scheme introduced with similar objectives to reduce greenhouse gas emissions. In the absence of this, GGAS will continue until 2020 and beyond.

The Department of Industry and Investment, who has responsibility for the policy development of GGAS, will be considering the impacts on GGAS of the delay to the CPRS and whether further changes will be required to allow GGAS to continue to operate effectively.

In the meantime, Benchmark Participants demonstrated good compliance with GGAS for 2009. There was a marked improvement in reporting when compared to previous years. Almost all companies met their compliance obligations either through surrendering certificates. Two companies with small compliance obligations elected to pay the penalty.

The deadline for submission of Annual Energy Savings Statements by Scheme Participants closed on 29 April 2010. The Scheme Regulator is currently assessing the statements.

Registration of 2009 vintage certificates

The Scheme Administrator would like to remind all Abatement/Accredited Certificate Providers who have accredited projects in both GGAS and ESS that the registration of certificates for abatement that occurred in the 2009 calendar year must be completed by 30 June 2010. Certificates of 2009 vintage cannot be created after this date.

It may also be timely for all Registry users to check that the Key User for your organisation continues to be correctly identified. The Key User is the person designated as the key GGAS & ESS Registry administrator for your business. Users can check their Key User's details through the user details section on the right hand side of the Registry home page. Key User/s should also review the level of Registry access given to all users within their organisation.

This review should be undertaken regularly, and at least annually. In particular, where a user's responsibilities within the organisation have changed or he/ she should no longer have access to the Registry, please update the user's privileges or revoke the user's access accordingly. The Key User is able to access a user's details through the User Maintenance link on the lower right hand side of the home page.

For any assistance, please contact the Help Desk on 1800 006 797.

Power from waste water

Sydney Water has installed a new innovative generation system at the North Head sewage treatment plant (STP) that uses waste water to power a hydro-electric plant. In addition, the STP at North Head uses a cogeneration plant fuelled by sewage gas to generate electricity and heat, which provides energy for treating sewage. Both these generating systems have been accredited under the DSA Rule of GGAS.

Sewage from the northern suburbs of Sydney arrives at an outfall at sea level, and for processing has to be pumped up to the sewage treatment plant, which is located about 65 metres above sea level. Following the treatment process the sewage effluent flows down a shaft for discharge into the ocean through the Deepwater Ocean Outfall. The hydro generator is installed near sea level and takes advantage of some of this effluent discharge through a separate drop shaft as shown in the diagram below.

The 2.1MW hydro generator commenced operation in late April 2010. In conjunction with the existing sewage gas generator (1.4 MW), the combined generation will supply a significant proportion of North Head STP's average electricity demand.

The electricity generated from both generators will provide about 40% of the electricity requirements of the North Head STP site and offsets the import of higher emissions electricity from the NSW grid.

The North Head STP hydro generator is a good example of a demand side abatement project, which will achieve greenhouse savings through the use of waste water energy source that would otherwise be wasted.

The new hydro-electric plant was built by Sydney Water's energy partners WorleyParsons and Energetics and supported by the NSW Government's Climate Change Fund.

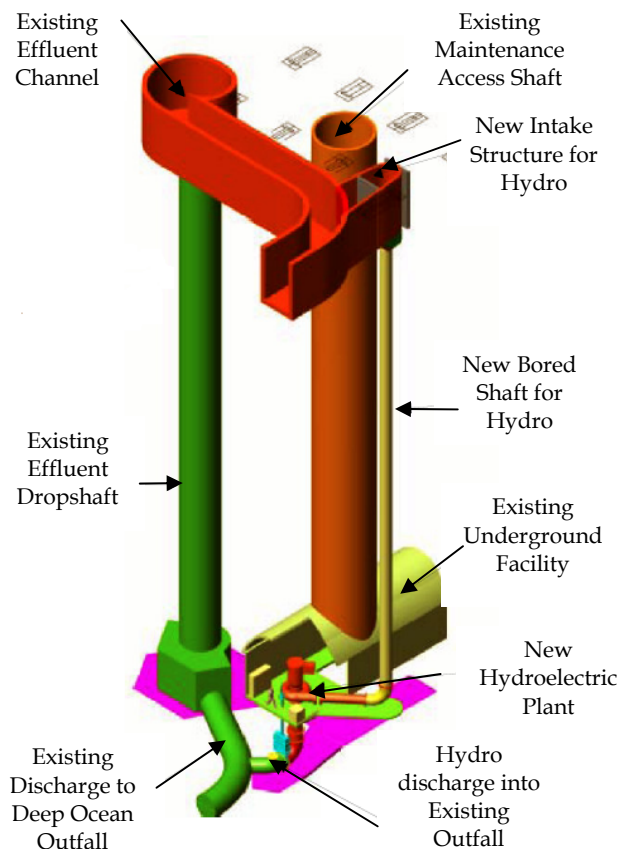


Figure 1: Hydro-electric plant installation



Figure 2: Hydro-electric plant being installed

NABERS baseline approach

Under the ESS, the 'National Australian Built Environment Rating System (NABERS) baseline' approach of the ESS Rule can be used for eligible energy efficiency upgrades to commercial office buildings, hotels or shopping centres in NSW.

The NABERS baseline approach replaces the 'Office Building Australian Building Greenhouse Rating (ABGR) baseline' approach which operated under GGAS. NABERS ratings are star based, with more stars indicating a higher level of energy-efficiency. NABERS ratings are administered by the NSW Department of Environment, Climate Change and Water.

The number of buildings with NABERS ratings is expected to increase significantly due to the introduction of the national Building Energy Efficiency Disclosure (BEED) Scheme before the end of 2010. As part of the BEED Scheme, building owners or lessors seeking to sell or lease any commercial office space with a net lettable area of 2,000m² or more will be required to have and to disclose to interested parties a current NABERS Energy rating for the building.

Applications for ESS accreditation can include either new buildings or existing buildings. New buildings must have a rating that exceeds 4 stars, or the number of stars required by the planning authority (whichever is the higher). For an existing building, ESC calculation is based on the improvement from the building's baseline NABERS rating. To be eligible, the baseline NABERS rating period, covering the period prior to the energy efficiency upgrades, must have an end date on or before 1 July 2008.

The application form for ESS accreditation under the NABERS baseline approach can be downloaded from the ESS website at www.ess.nsw.gov.au/documents/Form-AttE-v1-0-12May2010.doc

For further information about NABERS ratings contact DECCW at info@environment.nsw.gov.au

For further information about the BEED Scheme, refer to www.environment.gov.au/sustainability/energyefficiency/buildings/commercial/publications/pubs/disclosure-regulation.pdf

Surrender period closing for voluntary surrenders

The Scheme Administrator would like to remind all participants that the surrender period for voluntary surrenders will be closing on 20 June 2010 for both GGAS and ESS. All certificates that have been surrendered at this time will be accepted by the Scheme Administrator and subsequently cancelled on 30 June.

The GGAS & ESS Registry allows owners of certificates to surrender certificates to the Scheme Administrator (regarded as voluntary surrender). Any member of the public may own certificates and any owner may voluntarily surrender certificates. The surrender of certificates ensures that they cannot be subsequently resold and, in effect, 'locks in' the abatement represented by the certificates.

For further information regarding how to voluntarily surrender certificates please see our fact sheet at www.ess.nsw.gov.au/documents/syn1.asp

The next voluntary surrender period will be re-opened in early July.

Exemptions in the ESS

Companies who are eligible to claim an exemption for their electricity load under the ESS are listed in the Ministerial Order published in the Government Gazette dated 18 December 2009.

When reporting obligations under the ESS, electricity retailers (Scheme Participants) will have deducted these exempt loads from their Annual Energy Savings Statements. Exempted companies must supply specific information to their electricity retailer regarding the National Meter Identifiers (NMI) on their sites in order to receive an exemption. Retailers will not have to incur the associated costs for these exempt loads because prices for large users are not regulated. How this benefit is passed through is a matter for the retailers and their exempt customer loads.

Prime Minister's Task Group on energy efficiency issues paper

The Commonwealth Government has established a Task Group on energy efficiency to report by mid-2010 on options to deliver a 'step change' improvement in Australia's energy efficiency by 2020.

The Task Group will identify energy efficiency opportunities not currently employed and recommend ways to implement these opportunities. It will build on the National Strategy for Energy Efficiency agreed to by the Council of Australian Governments (COAG) in July 2009 aimed at delivering cost-effective energy efficiency.

Energy efficiency can also achieve Australia's carbon pollution reduction goals. For example, the International Energy Agency estimates that over half of the global energy related emissions reduction required to meet a 450ppm CO₂-e target can be expected to come from energy efficiency.

The ESS uses a market-based approach to encourage energy efficiency activities as it offers an economic incentive, in the form of tradable ESCs, in return for achieving energy savings. It is understood that this mechanism will be considered by the Task Group in its report.

Registry statistics

Table 1 Certificates created as at 31 May 2010

Rule group	Certificates
Generation Rule	71,924,524
DSA Rule	30,273,328
Carbon Sequestration Rule	2,627,934
Large User Rule	5,025,124
GGAS Total	109,850,910
Energy Savings Scheme	379,525
ESS Total	379,525

Table 2 Current accreditations as at 31 May 2010

Rule group	Accreditations
Generation Rule	137
DSA Rule ^a	60
Carbon Sequestration Rule	7
Large User Rule	10
GGAS Total	214
Energy Savings Scheme	47
ESS Total	47

Note: Accreditation totals include multiple projects

a DSA Rule accreditations for energy efficiency projects will be cancelled once all compliance obligations have been met.

Table 3 New accreditations in the last 3 months (5 March 2010 – 31 May 2010)

Rule group	Accreditations
Generation Rule	3
DSA Rule	7
Carbon Sequestration Rule	0
Large User Rule	0
GGAS Total	10
Energy Savings Scheme	9
ESS Total	9

Note: New accreditations for GGAS apply for applications received on or before 31 December 2009.

Note: Data in Tables 1, 2 and 3 as at 31 May 2010.