

**ELECTRICITY SUPPLY ACT 1995**

## Notice of Approval of Amendment of Greenhouse Gas Benchmark Rule

Greenhouse Gas Benchmark Rule (Demand Side Abatement)  
No. 3 of 2003

Notice of Amendment of Greenhouse Gas Benchmark Rule by the Minister for Energy under section 97K(4) of the Electricity Supply Act 1995.

I, Ian Michael Macdonald, Minister for Energy, pursuant to section 97K(4) and (5) of the Electricity Supply Act 1995, hereby give notice of approval of amendment to Greenhouse Gas Benchmark Rule (Demand Side Abatement) No. 3 of 2003, the amendments of which are described in Schedule 1 of the notice hereto, and the amended Rule is set out in Schedule 2 of the notice hereto.

The amendment of the Rule takes effect from 1 July 2009.

A copy of the amended Greenhouse Gas Benchmark Rule (Demand Side Abatement) No. 3 of 2003 may also be obtained through the Department of Water and Energy's website at [www.dwe.nsw.gov.au](http://www.dwe.nsw.gov.au).

Dated at Sydney, this 24th day of June 2009.

IAN MICHAEL MACDONALD, M.L.C.,  
Minister for Energy

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## SCHEDULE 1

### (1) Clause 1 Name and Commencement

- 1.1 In clause 1.1 omit “gazettal (subject to clause 11.6)” and insert “1 July 2009”
- 1.2 In clause 1.2, second line, omit “25 August 2006” and insert “5 December 2008”
- 1.3 In clause 1.2, second line, omit “(the August Rule)” and insert “(the Previous Rule)”
- 1.4 In clause 1.2, third line, omit “August” and insert “Previous”
- 1.5 In clause 1.3 (a), omit “(in respect of demand side abatement activities)” and insert “in respect of Demand Side Abatement”
- 1.6 In clause 1.3 (a) insert “,subject to clause 1.4” at the end of the clause.
- 1.7 In clause 1.3 (b) omit “(in respect of demand side abatement activities)” and insert “in respect of Demand Side Abatement”
- 1.8 In clause 1.3 (b), last line, omit “and 11.7”
- 1.9 In clause 1.3 (c) omit “(in respect of demand side abatement activities)” and insert “in respect of Demand Side Abatement”
- 1.10 In clause 1.4 omit all text and insert:

“A person who, before 1 July 2009, is accredited as an Abatement Certificate Provider or has made an application, acceptable to the Scheme Administrator, to become an Abatement Certificate Provider (and is subsequently accredited as an Abatement Certificate Provider) in respect of Demand Side Abatement activities eligible under the Previous Rule may, subject to the Act and the Regulations:

- (a) have its eligibility for accreditation as an Abatement Certificate Provider assessed under the Previous Rule, and
- (b) calculate its entitlement to create NGACs in respect of Demand Side Abatement occurring on or before 30 June 2009 under the Previous Rule.”

### (2) Clause 2 Objects of the Rule

- 2.1. In clause 2, second line, omit “increased efficiency of electricity consumption,” and in the third line omit “reduction in electricity consumption where there is no negative effect on production or service levels, and substitution of sources of energy for electricity or substitution of electricity for other sources of energy. The Rule aims to reduce greenhouse gas emissions through measures associated with the demand for electricity”

### (3) Clause 7 Activities that constitute Demand Side Abatement

- 3.1. Omit clause 7.3.

- 3.2. Omit clause 7.4 and insert:

“7.3 *A Demand Side Abatement Project* is a project:

- (a) implemented or to be implemented in New South Wales and has or will have an Implementation Date on or after:
  - (i) 1 January 1997 in respect of an activity that was validly claimed as Electricity Sales Foregone under the Emissions Workbook;
  - (ii) 1 January 1997 in respect of a Generating System that generates electricity using Renewable Energy Sources; or
  - (iii) 1 July 1997 in respect of a Generating System having a nameplate rating of 30MW or less that generates electricity using Fossil Fuels; or

that results or will result in reduced greenhouse gas emissions compared with the greenhouse gas emissions without that project by:

- (b) substituting electricity from a Generating System that supplies End-User Equipment within the same End-User Complex as the Generating System for electricity from another source.

- 3.3. Renumber existing clause “7.6” as “7.4”.
- 3.4. Renumber existing clause “7.7” as “7.5”.
- 3.5. In the Note following clause 7.7 (b) omit “Reduced losses from Demand Side Abatement by improving the power factor of a Site can be claimed using the Project Impact Assessment Method in clause 9.”
- 3.6. Omit all of clause 7.8.

**(4) Clause 8 Creation of NGACs from Demand Side Abatement**

- 4.1 Omit clause 8.1.1(a)(iii).
- 4.2 Omit the Note following clause 8.1.1(a)(iii).
- 4.3 Omit clause 8.1.2 and the Note at the end of the clause.
- 4.4 Omit all of clause 8.2 and insert:

**“8.2 Number of NGACs that may be created from Demand Side Abatement**

In respect of any Demand Side Abatement, the Abator may create the *Number of NGACs* calculated using the Generation Emissions Method in clause 9 provided that:

- (a) the Scheme Administrator approves the method used before any NGACs are created using that method (which approval may be conditional upon applying the method in a particular manner that is permitted under this Rule);
- (b) the method used must produce a result reasonably reflecting the extent to which emissions are abated for the Demand Side Abatement undertaken;
- (c) assumptions used in that calculation are reasonable and follow common engineering practice;
- (d) those NGACs are reasonably attributable to the Demand Side Abatement in respect of which the calculation is made;
- (e) the calculation includes only greenhouse gas emissions attributable to the consumption or combustion of energy sources classified as stationary energy sources in the National Greenhouse Gas Inventory Methodology; and
- (f) emissions or emission reductions due to energy sources other than electricity are only included in the calculations in respect of Demand Side Abatement Projects that substitute other energy sources for electricity, or electricity for other energy sources, or are consumed in Generating Systems that supply End-User Equipment within the same End-User Complex as the Generating System.”

- 4.5 Omit all of clause **8.3 Creation of up to 2000 NGACs able to be brought forward using the Project Impact Assessment Method.**
- 4.6 Omit all of clause **8.4 Adjustment of number of NGACs that may be created for GGAP funded projects.**

**(5) Clause 9 Project Impact Assessment Method**

5.1 Omit all of clause 9 including the Note and Equations 1 and 2.

**(6) Clause 10 Metered Baseline Method**

6.1 Omit all of clause 10 including Notes, Methods and Equations.

**(7) Clause 11 Default Abatement Factors Method**

7.1 Omit all of clause 11 including Notes and Equations.

**(8) Clause 12 Generation Emissions**

8.1 Renumber existing clause “12” as “9”.

8.2 Renumber existing clause “12.1” as “9.1”.

8.3 In clause 12.1, first line omit “clause 12” and insert “clause 9”.

8.4 Renumber existing clause “12.1A” as “9.2”.

8.5 In clause 12.1A omit “clause 12.1” and insert “clause 9.2”.

8.6 Renumber existing clause “12.2” as “9.3”.

8.7 In clause 12.2, first line, omit “Equation 4” and insert “Equation 1”.

8.8 In clause 12.2, Equation 4 box, omit title “Equation 4” and insert “Equation 1”.

8.9 In clause 12.2, Equation 4 box, second dot point, omit “Equation 5” and insert “Equation 2”.

8.10 In clause 12.2, Equation 4 box, fourth dot point, omit “Equation 6” and insert “Equation 3”.

8.11 In clause 12.2, Equation 5 box, omit title “Equation 5” and insert “Equation 2”.

8.12 In clause 12.2, Equation 5 box, first dot point, omit the second occurrence of “is in MWh”.

8.13 In clause 12.2, Equation 5 box, first dot point, first dash point, omit “-” from the beginning of the sentence and “; or” from the end of the sentence.

8.14 In clause 12.2, Equation 5 box, first dot point, omit “; or” at the end of the first dash point and omit the whole of the second dash point:

“- calculating the reduction in electricity supplied by the NSW Electricity Network by either the Project Impact Assessment Method in clause (5) or the Metered Baseline Method in clause (6).”

8.15 In clause 12.2, Equation 5 box, fourth dot point, omit “If this metered information is not available it may be determined by calculating the reduction in electricity supplied by the NSW Electricity Network by either the Project Impact Assessment Method in clause 9 or the Metered Baseline Method in clause 10”

8.16 In clause 12.2, Equation 6 box, omit title “Equation 6” and insert “Equation 3”

8.17 In clause 12.2, Equation 6 box, third dot point, omit “If this metered information is not available, it may be determined by calculating the reduction in electricity supplied by the NSW Electricity Network by either the Project Impact Assessment Method in clause 9 or the Metered Baseline Method in clause 10”

8.18 Renumber existing clause “12.3” as “9.4”.

8.19 In clause 12.3, first paragraph, omit “clause 12.2” and insert “clause 9.3”.

8.20 In clause 12.3(b) omit “, or if the benefit from the heat is in the form of electricity avoided, from cogeneration according to the Project Impact Assessment Method under this Rule”

**(9) Clause 13 Definitions and Interpretation**

- 9.1 In the title of clause 13 renumber “Clause 13” as “Clause 10”.
- 9.2 Renumber clause “13.1” as clause “10.1”.
- 9.3 In clause 13.1 omit ““**ABGR**” means the Australian Building Greenhouse Rating Scheme Methodology.”
- 9.4 In clause 13.1 omit ““**E3 Scheme**” means the National Appliance and Equipment Energy Efficiency Program, effected through the *Energy and Utilities Administration Regulation 1999* (NSW) and corresponding laws in other Australian jurisdictions.”
- 9.5 In clause 13.1 omit ““**Energy Rating**” means the star rating assigned under the E3 Scheme, in respect of a product that complies with all registration, labelling and other legal requirements under that Scheme.”
- 9.6 In clause 13.1 omit ““**Existing Office Building**” means an Office Building which was first occupied prior to 1 January 2002.”
- 9.7 In clause 13.1 omit ““**GGAP**” means the Greenhouse Gas Abatement Program administered by the Australian Greenhouse Office of the Commonwealth.”
- 9.8 In clause 13.1 in the paragraph ““**Implementation Date**”” omit “In the case of a single Demand Side Abatement Project that involves multiple Installations or occurs across multiple Sites, it means the date on which the reduction in greenhouse gas emissions resulting from the first Installation or occurring at the first Site commences.”
- 9.9 In clause 13.1 omit:  
 ““**Installation**” means energy consuming equipment, processes, or systems, including the equipment directly consuming energy, and other equipment that causes, controls or influences the consumption of energy, and includes (in the context of clause 10.8) a New Office Building.
- “**Installation Implementation Date**” means, in relation to any particular Installation forming part of a Demand Side Abatement Project where *Number of NGACs* is calculated using the Default Abatement Factors Method in clause 11, the following date (as relevant):
- (a) in the case of an Installation Discount Factor of 1.0, the date on which the Installation was installed;
  - (b) in the case of an Installation Discount Factor of less than 1.0, the date on which the Installation is sold to or otherwise received by an end-user who intends to install it or ensure that it is installed.
- “**New Installation**” means an Installations where no Installations of the same type, function, output or service was previously in its place (but does not include additional components installed in the course of modifying an Installation), and includes (in the context of clause 10.8) a New Office Building.
- “**New Office Building**” means an Office Building which was first occupied on or after 1 January 2002.”
- 9.10 In clause 13.1 omit:  
 ““**October 2003 Rule**” means the *Greenhouse Gas Benchmark Rule (Demand Side Abatement) No. 3 of 2003* as in force on 3 October 2003.
- “**Office Building**” means a Site that can be rated under the ABGR.”
- 9.11 In clause 13.1 omit:  
 ““**Site**” means all End-User Equipment and Generating Systems for which the electricity consumed or supplied is measured by the same utility meter allocated a National Meter

Identifier (NMI) under the National Electricity Rules, or by other meters or logging devices measuring a part of this site, and approved by the Scheme Administrator (whether alone or in combination with the utility meter).

Note: Meters other than utility meters that measure part of the consumption of a Site can be used to “sub-meter” consumption related to Demand Side Abatement. In this case, the Site would become only that part of the Installation that has its consumption recorded by that meter, provided it meets the requirement of the Scheme Administrator.

Meters other than “utility” meters (those allocated a NMI) can only be used to sub-meter loads within an individual Site, not aggregate several Sites.

“**Site Implementation Date**” means, in relation to any particular Site constituting or forming part of a Demand Side Abatement Project, the date on which the reduction in greenhouse gas emissions at that Site commences (or is deemed to commence).

“**Total Greenhouse Gas Emissions**” is defined in Equation 6.”

9.12 In clause 13.1 omit:

““**WELS Rating**” means the star rating assigned under the WELS Scheme, in respect of a product that complies with all registration, labelling and other legal requirements under that Scheme, and “**WELS Rated**” has a corresponding meaning.

“**WELS Scheme**” means the Water Efficiency Labelling and Standards Scheme established under the *Water Efficiency Labelling and Standards Act 2005* (Cth) and corresponding State-Territory laws.”

9.13 Renumber existing clause “13.2” as “10.2”.

9.14 Renumber existing clause “13.3” as “10.3”.

9.15 Renumber existing clause “13.4” as “10.4”.

9.16 Renumber existing clause “13.5” as “10.5”.

9.17 Renumber existing clause “13.6” as “10.6”.

**(10) Schedule A – Default factors and supporting information**

10.1 Omit the whole of Schedule A including all tables, text and Notes.

**SCHEDULE 2****Greenhouse Gas Benchmark Rule (Demand Side Abatement) No. 3 of 2003**

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Ian Michael Macdonald, MLC  
Minister for Energy

**1 Name and commencement**

- 1.1 This Rule is the *Greenhouse Gas Benchmark Rule (Demand Side Abatement) No. 3 of 2003* and commences on 1 July 2009.
- 1.2 At its commencement, this Rule amends the *Greenhouse Gas Benchmark Rule (Demand Side Abatement) No. 3 of 2003* that commenced on 5 December 2008 (the Previous Rule), to the extent that this Rule differs from the Previous Rule.
- 1.3 Without limiting the circumstances in which this Rule applies, this Rule applies to:
- (a) the accreditation of Abatement Certificate Providers in respect of Demand Side Abatement after the commencement of this Rule (regardless of the date of application for accreditation), subject to clause 1.4;
  - (b) the calculation and creation of NGACs in respect of Demand Side Abatement registered after the commencement of this Rule (regardless of the date of accreditation of the Abatement Certificate Provider), subject to clauses 1.4; and
  - (c) the ongoing eligibility of a person to remain accredited as an Abatement Certificate Provider for the purpose of the Scheme Administrator exercising its powers under the Act and Regulations, after the commencement of this Rule, to vary, suspend or cancel a person's accreditation as an Abatement Certificate Provider in respect of Demand Side Abatement.
- 1.4 A person who, before 1 July 2009, is accredited as an Abatement Certificate Provider or has made an application, acceptable to the Scheme Administrator, to become an Abatement Certificate Provider (and is subsequently accredited as an Abatement Certificate Provider) in respect of Demand Side Abatement activities eligible under the Previous Rule may, subject to the Act and the Regulations:
- (a) have its eligibility for accreditation as an Abatement Certificate Provider assessed under the Previous Rule, and
  - (b) calculate its entitlement to create NGACs in respect of Demand Side Abatement occurring on or before 30 June 2009 under the Previous Rule.

**2 Objects of the Rule**

The object of this Rule is to provide specific arrangements for the creation and calculation of NGACs where greenhouse gas emissions are reduced through eligible on-site electricity generation.

**3 Application of the Rule**

Without limiting the persons to whom this Rule applies, this Rule applies to Abatement Certificate Providers accredited to create NGACs in respect of Demand Side Abatement in accordance with Part 8A Division 4 of the Act, the Regulations and this Rule.

**4 Status and Operation of the Rule**

This Rule is a Greenhouse Gas Benchmark Rule made under Part 8A of the Act.

## 5 Eligibility to be an Accredited Abatement Certificate Provider in respect of Demand Side Abatement

A person is eligible to be an Accredited Abatement Certificate Provider under this Rule if:

- (a) the person is an *Abator*, as that term is defined in clause 8.1; and
- (b) the accreditation is in respect of *Demand Side Abatement*, as that term is defined in clause 7.

Note: Under the Regulations, a person must also have record keeping arrangements with respect to the activity approved by the Scheme Administrator. Further matters must also be satisfied under the Regulations if the accreditation is in respect of a proposed (rather than existing) Demand Side Abatement Project.

## 6 Persons eligible to create NGACs under this Rule

6.1 Despite any other provision in this Rule only Accredited Abatement Certificate Providers accredited for the purpose set out in clause 5 may create NGACs under this Rule.

6.2 A person may not create NGACs in respect of greenhouse gas abatement if that person or another person has previously validly created NGACs or LUACs in respect of the same abatement, whether under this Rule (including previous versions of it) or any other Benchmark Rule.

## 7 Activities that constitute Demand Side Abatement

7.1 *Demand Side Abatement* as defined in this Rule is:

- (a) an "activity" for the purposes of the Act;
- (b) an "existing demand side abatement activity" for the purposes of the Regulations if a person is accredited as an Abatement Certificate Provider in respect of that *Demand Side Abatement* after the Implementation Date of the *Demand Side Abatement Project* giving rise to it; and
- (c) a "proposed demand side abatement activity" for the purposes of the Regulations if a person is accredited as an Abatement Certificate Provider in respect of that *Demand Side Abatement Project* giving rise to it.

7.2 *Demand Side Abatement* is the ongoing operation of the changes implemented by a Demand Side Abatement Project that promotes a reduction in greenhouse gas emissions.

7.3 A *Demand Side Abatement Project* is a project:

- (a) implemented or to be implemented in New South Wales and has or will have an Implementation Date on or after:
  - (i) 1 January 1997 in respect of an activity that was validly claimed as Electricity Sales Foregone under the Emissions Workbook;
  - (ii) 1 January 1997 in respect of a Generating System that generates electricity using Renewable Energy Sources; or
  - (iii) 1 July 1997 in respect of a Generating System having a nameplate rating of 30MW or less that generates electricity using Fossil Fuels; or
- (b) that results or will result in reduced greenhouse gas emissions compared with the greenhouse gas emissions without that project by substituting electricity from a Generating System that supplies End-User Equipment within the same End-User Complex as the Generating System for electricity from another source,

7.4 The Scheme Administrator may determine whether a Demand Side Abatement Project which was previously claimed as Electricity Sales Foregone, but which has in some manner changed since it was so claimed:

- (a) constitutes the same Demand Side Abatement Project as was previously claimed; or
- (b) also includes a new Demand Side Abatement Project to the extent of the change,

having regard to whether the classification as one or more Demand Side Abatement Projects produces outcomes consistent with the objects of the Scheme.

7.5 Demand Side Abatement Projects do not include activities:

- (a) of electricity supply by a retail supplier, or electricity purchase from a retail supplier by a customer, from the NSW Electricity Network, under a representation by the retail supplier that there is a reduction in greenhouse gas emissions because the electricity supplied is connected with, or represents an amount equal to, the generation of electricity from a particular energy source;

Note: This is intended to exclude from this Rule the creation of NGACs because of the purchase of electricity under “Green Power” accredited or similar schemes that is eligible to create NGACs or RECs at the point of generation.

- (b) within the NSW Electricity Network to reduce losses in the distribution or transmission of electricity;

Note: No Rules covering reduced losses in the NSW Electricity Network from activities within the NSW Electricity Network are being developed at this stage.

- (c) to install solar hot water heating systems that are eligible to create RECs; or
- (d) that reduce electricity consumption by reducing the scope or quantity of production or service derived from the use of that electricity.

Note: Reduced energy consumption not due to specific actions to improve efficiency or other eligible activities does not qualify as a Demand Side Abatement Project. Mild weather, lower production, closing down part of a site, or reducing the quality or quantity of service derived from the use of that electricity do not qualify as Demand Side Abatement Projects.

Reducing electricity consumption where there is no negative effect on production or service levels (eg reduction of excessive lighting, removal of redundant installed capacity or the installation of more energy efficient equipment) is Demand Side Abatement and is not excluded by this clause.

## 8 Creation of NGACs from Demand Side Abatement

### 8.1 The Abator

8.1.1 The *Abator* is:

- (a) the person who is:
  - (i) in respect of a Demand Side Abatement Project whose Implementation Date is prior to 1 July 2002 for which a retail supplier previously claimed Electricity Sales Foregone, that retail supplier;
  - (ii) in respect of a Demand Side Abatement Project that is a Generating System (other than those with an Implementation Date prior to 1 July 2002 for which a retail supplier previously claimed Electricity Sales Foregone), the Generator; or

- (b) a person nominated, to the satisfaction of the Scheme Administrator, to be the Abator in respect of the Demand Side Abatement (nominee) by one of the following persons (nominator):
  - (i) the person in (a); or
  - (ii) a person previously nominated to be the Abator,provided that:
  - (iii) the nominator has not previously nominated another person to be the Abator, or if the nominator has done so, that previous nomination is not still effective;
  - (iv) the nomination is in writing and signed by the nominator; and
  - (v) the nominee consents to the nomination; or
- (c) a person whom the Scheme Administrator is satisfied will be a person in (a) or (b), provided that the person will not be entitled to create NGACs unless that person satisfies the criteria in clause 8.1(a) or (b) at the time of the electricity generation (in the case of (a)(ii)), at the relevant Site Implementation Date (in the case of (a)(iii)), or at the time of NGAC creation (in the case of (b)).

## 8.2 Number of NGACs that may be created from Demand Side Abatement

In respect of any Demand Side Abatement, the Abator may create the *Number of NGACs* calculated using the Generation Emissions Method in clause 9, provided that:

- (a) the Scheme Administrator approves the method used before any NGACs are created using that method (which approval may be conditional upon applying the method in a particular manner that is permitted under this Rule);
- (b) the method used must produce a result reasonably reflecting the extent to which emissions are abated for the Demand Side Abatement undertaken;
- (c) assumptions used in that calculation are reasonable and follow common engineering practice;
- (d) those NGACs are reasonably attributable to the Demand Side Abatement in respect of which the calculation is made;
- (e) the calculation includes only greenhouse gas emissions attributable to the consumption or combustion of energy sources classified as stationary energy sources in the National Greenhouse Gas Inventory Methodology; and
- (f) emissions or emission reductions due to energy sources other than electricity are only included in the calculations in respect of Demand Side Abatement Projects that substitute other energy sources for electricity, or electricity for other energy sources, or are consumed in Generating Systems that supply End-User Equipment within the same End-User Complex as the Generating System.

## 9 Generation Emissions

Note: Where part of the electricity generated is exported into the NSW Electricity Network or an interconnected Transmission or Distribution System, and part is consumed by End-User Equipment within the same End-User Complex as the Generating System, only that part that is so consumed is eligible to create NGACs under this Rule. The remainder is separately eligible to create NGACs under the Generation Rule.

- 9.1 The Generation Emissions Method in this clause 9 may only be used to calculate *Number of NGACs* to the extent that the electricity generated by a Generating System is supplied to End-User Equipment within the same End-User Complex as the Generating System.

- 9.2 For the purposes of clause 9.1, electricity generated by a Generating System will be taken to be supplied within the same End-User Complex as the Generating System to the extent that the electricity is not exported into the NSW Electricity Network or a Transmission or Distribution System interconnected with the NSW Electricity Network, regardless of whether or not the owner of the Generating System also owns the relevant End-User Equipment.
- 9.3 Using the Generation Emissions Method, *Number of NGACs* is calculated using Equation 1.

#### Equation 1

$$\text{Number of NGACs} = \text{Eligible Generation} \times (\text{NSW Pool Coefficient} \times \text{Emissions Intensity Adjustment Factor} - \text{Emissions Intensity})$$

Where:

- *Number of NGACs* is in t CO<sub>2</sub>-e and is in respect of the time period over which the Eligible Generation occurs
- *Eligible Generation* (in MWh) is calculated in **Equation 2**
- *NSW Pool Coefficient* is the NSW Pool Coefficient determined by the Tribunal using clause 9.1 of the Compliance Rule for the year in which the electricity was generated
- *Emissions Intensity* (in t/MWh) is calculated using **Equation 3**
- *Emissions Intensity Adjustment Factor* is the value in Table 9 of Schedule A to the Generation Rule appropriate to the Generating System being connected at an End-User Complex

#### Equation 2

$$\text{Eligible Generation} = \text{Self Generated Site Use} - \text{RECs Created/MLF} \times (\text{Self Generated Site Use} / \text{Sent Out Generation})$$

Where:

- *Eligible Generation* is in MWh and is in respect of a calendar year or part thereof
- *Self Generated Site Use* (in MWh) is the portion of the electricity generated by the Generating System that is consumed End-User Equipment within the same End-User Complex as the Generating System, determined by metered electricity generated by the Generating System where this is available;
- *RECs Created* (in MWh) are the number of RECs created and registered with ORER in accordance with the RE(E) Act in respect of the same electricity generation by the Generating System that constituted the *Sent Out Generation*
- *Sent Out Generation* (in MWh), in respect of the Generating System, is Gross Generation less Auxiliary Electricity Use, both measured over the same time period as the Total Greenhouse Gas Emissions.
- *Gross Generation* means total electricity generated by a Generating System
- *Auxiliary Electricity Use* means electricity consumed by the Generating System
- *MLF* is the marginal loss factor for the Generating System, as defined in the RE(E) Regulation.

**Equation 3**

Emissions Intensity = Total Greenhouse Gas Emissions / Sent Out Generation

Where:

- *Emissions Intensity* is in t CO<sub>2</sub>-e/MWh
- *Total Greenhouse Gas Emissions* (in t CO<sub>2</sub>-e) is determined using clause 10 of the Generation Rule, in respect of the time period over which the Eligible Generation occurs
- *Sent Out Generation* (in MWh) is, in respect of the Generating System, Gross Generation less Auxiliary Electricity Use, both measured over the same time period as the Total Greenhouse Gas Emissions.
- *Gross Generation* means total electricity generated by a Generating System
- *Auxiliary Electricity Use* means electricity consumed by the Generating System

9.4 Using the Generation Emissions Method, in addition to the number of NGACs in clause 9.3, the Abator may create NGACs from that portion of electricity which is used within the same End-User Complex which is:

- (a) generated using landfill gas or sewage gas or manufactured methane or Qualifying Putrescible Waste or cogeneration from renewable sources according to, and as if it were the Generator referred to in clause 9.5 of the Generation Rule; or
- (b) from cogeneration according to clause 10.2 of the Generation Rule.

## 10 Definitions and Interpretation

10.1 In this Rule:

“**Accreditation Notice**” means a notice of that name, or to the same effect, issued by the Scheme Administrator.

“**Act**” means the *Electricity Supply Act 1995*.

“**Benchmark Rules**” means the rules under Part 8A, Division 11 of the Act.

“**Compliance Rule**” means *Greenhouse Gas Benchmark Rule (Compliance) No. 1 of 2003*.

“**Demand Side Abatement**” has the meaning given to it in clause 7.

“**Demand Side Abatement Project**” has the meaning given to it in clause 7.

“**Distribution System**” is a “distribution system” (as that term is defined in the National Electricity Rules) in respect of which a person is registered as a “Network Service Provider” under the National Electricity Rules.

“**Electricity Sales Foregone**” has the meaning given to it under the Electricity Sales Foregone Framework.

“**Electricity Sales Foregone Framework**” means the methodology described in the document entitled *Greenhouse Gas Emissions from Electricity Supplied in NSW: Framework for Calculation of Electricity Sales Foregone*, published by the Ministry of Energy and Utilities in February 1999.

“**Emissions Workbook**” means the methodology described in the document entitled *Greenhouse Gas Emissions from Electricity Supplied in NSW: Emissions Workbook* published by the Ministry of Energy and Utilities in October 2000.

“**End-User Complex**” is as described in clause 9.2.

“**End-User Equipment**” means electricity consuming equipment that is not associated with the generation of electricity or generated ancillary loads.

“**Fossil Fuel**” means coal seam gas drained from mines as an integrated part of coal mining operations, black coal, brown coal, natural gas, fuels derived from petroleum, or coal seam methane.

“**Generation Rule**” means *Greenhouse Gas Benchmark Rule (Generation) No. 2 of 2003*.

“**Generator**” means a Generator as that term is defined in clause 6.2.1(a) and (b) of the Generation Rule, as if references to "electricity generation activity" were references to "demand side abatement activity".

“**Generating System**” means a system comprising one or more of the physical generators of electricity and all the related equipment capable of functioning as a single entity.

“**Implementation Date**” means the date on which the reduction in greenhouse gas emissions resulting from a Demand Side Abatement Project commences.

“**NGAC**” (New South Wales Greenhouse Abatement Certificate) is a transferable abatement certificate under section 97F of the Act, which is created in accordance with the Generation Rule, Sequestration Rule, or this Rule.

“**NSW Electricity Network**” means all electricity Transmission Systems and Distribution Systems located in New South Wales.

“**NSW Pool Coefficient**” is defined in section 97AB of the Act and determined by the Tribunal under section 97BF of the Act, in accordance with clause 9.1 of the Compliance Rule. The relevant NSW Pool Coefficient for the purposes of this Rule is that for the year in which the abatement occurred.

“**ORER**” means the Commonwealth Office of the Renewable Energy Regulator established under the RE(E) Act.

“**Qualifying Putrescible Waste**” means Qualifying Putrescible Waste as that term is defined in the Generation Rule.

“**REC**” means a renewable energy certificate as defined in s 97AB of the Act.

“**RECs Created**” is defined in Equation 5.

“**RE(E) Act**” means the *Renewable Energy (Electricity) Act 2000* (Cth).

“**RE(E) Regulation**” means the *Renewable Energy (Electricity) Regulations 2001* (Cth).

“**Regulations**” means regulations made pursuant to Part 8A of the Act.

“**Renewable Energy Source**” means an eligible renewable energy source under the RE(E) Act."

“**Scheme Administrator**” is defined in section 97AB of the Act.

“**Sequestration Rule**” means *Greenhouse Gas Benchmark Rule (Carbon Sequestration) No.5 of 2003*.

**“Transmission System”** is a “transmission system” (as that term is defined in the National Electricity Rules) in respect of which a person is registered as a “Network Service Provider” under the National Electricity Rules.

**“Tribunal”** has the meaning given to it under the Act.

**“Waste Coal Mine Gas”** has the meaning given to that term under the Generation Rule.

- 10.2 Notes in this Rule do not form part of the Rule.
- 10.3 A reference in this Rule to an entitlement to create a number of NGACs is to be taken as an entitlement to create a lesser number of NGACs.
- 10.4 For the purpose of this Rule the terms and expressions used in this Rule have the same meaning as in the Act or as defined in Part 8A of the Act, except the terms that are expressly defined in this Rule.
- 10.5 A reference to accreditation in respect of a Demand Side Abatement Project means accreditation in respect of Demand Side Abatement from the Demand Side Abatement Project.
- 10.6 A reference in clause 1.3 to the commencement of this Rule includes a reference to the commencement of any particular provision of this Rule that commences at a different time from the rest of the Rule.