



CASE STUDY WINGFIELD 1 & 2 – GENERATION ACCREDITATION

Case Study – Accreditation of a Landfill Gas (LFG) Generating System – Category A Generating System

Name of Rule:	Greenhouse Gas Benchmark Rule (Generation) No.2 of 2003
Name of Applicants:	EDL LFG (SA) Pty Ltd – Generator AGL South Australia Pty Ltd – Deemed Retailer
Name of Generating System:	Wingfield 1 & Wingfield 2
Type of Project:	Landfill Gas (LFG) Generating System

This Case Study is designed to showcase the accreditation process for typical Category A Generating Systems. Some of the details in this Case Study draws on the accreditation experiences of similar accreditations and does not exactly represent the accreditation process of the Wingfield 1 & Wingfield 2 Generating System.

Part One - Introduction

This case study outlines the process used to assess the applications made by EDL LFG (SA) Pty Ltd (EDL) and AGL South Australia Pty Ltd (AGL) for accreditation as providers of abatement certificates from the Wingfield 1 and Wingfield 2 landfill gas generating systems.

Wingfield 1 and Wingfield 2 extract landfill gas—a renewable fuel that is predominantly methane—from the Wingfield Road and Hines Road landfill sites in Wingfield, South Australia, and use it as a fuel to generate electricity. This generation results in reduced emissions of greenhouse gases as it causes fugitive methane emissions to be avoided. Methane, which has a high global warming potential, is converted into carbon dioxide through combustion.

Wingfield 1 and Wingfield 2 are both classified as Category A generating systems under the NSW Greenhouse Gas Abatement Scheme. These differ from other types of generating systems under the Greenhouse Gas Benchmark Rule (Generation) No 2 in that two parties are eligible to claim abatement from the same generating system. Under the previous voluntary Greenhouse Gas abatement scheme, an electricity retailer could claim generation from low emission generating systems (as either category A or F according to the Emissions Workbook) in meeting their licence compliance obligations. AGL had claimed the generation from these Generating Systems as Category A. It was the intention of the NSW Government in establishing the current mandatory Scheme that the entitlements of electricity retailers who took such voluntary actions be preserved.

As a result, both parties are eligible to apply in respect of Wingfield 1 and Wingfield 2. However, AGL and EDL are only eligible to claim for different portions of the output of the Systems. AGL applied as the Deemed Retailer for the electricity generated up to a production baseline, the equivalent of the electricity previously claimed in the voluntary scheme. EDL applied for accreditation as the Generator for the electricity generated above the production baseline that represents new or additional generation.

Wingfield 1 and Wingfield 2 are connected to the ETSA Utilities distribution network in South Australia, which is interconnected with the NSW Electricity network. Each generating system has a nameplate rating of less than 5MW, commenced commercial operation in 1994, and is eligible to create renewable energy certificates (RECs) under the Commonwealth's Mandatory Renewable Energy Target (MRET) Scheme.

Part Two – Assessing the Application

2.1 Does the application meet all relevant eligibility criteria?

The first issue the Scheme Administrator considered was whether the applicant met all of the relevant criteria to be eligible for accreditation as a provider of NSW Greenhouse Abatement Certificates (NGACs). These criteria are specified in the *Greenhouse Gas Benchmark Rule (Generation) No.2 of 2003* (the Rule) and the *Electricity Supply (General) Regulation 2001* (the Regulation).

2.1.1 Is the applicant eligible to be an Accredited Abatement Certificate Provider?

Under Clause 5 of the Rule, the Scheme Administrator may accredit:

- (a) *Generators;*
- (b) *Deemed retailers; and/or*
- (c) *any person entitled to create NGACs under this Rule as Accredited Abatement Certificate Providers in respect of the generation of electricity in a manner that results in reduced emissions of Greenhouse Gases...*

EDL and AGL applied in respect of the Wingfield 1 and Wingfield 2 Generating Systems on the basis that the electricity generated from the Systems is generated in a manner that results in reduced emissions of Greenhouse Gases. The reduction results from the conversion of methane into Carbon Dioxide (CO₂) through combustion of the Landfill Gas (LFG) used to generate electricity and the capture of fugitive methane emissions.

EDL and AGL applied in different capacities, EDL as the Generator and AGL as the Deemed Retailer. The applications were in respect to separate portions of the generation from the Systems. Both are able to apply in respect of the same Generating Systems because Wingfield 1 and Wingfield 2 are Category A Generating Systems.

Is EDL eligible as the Generator?

If a Generating System is less than 5MW in size it is exempt, under the National Electricity Code, from applying for registration with the National Electricity Market Management Company (NEMMCO). Wingfield 1 and Wingfield 2 each have a capacity of less than 5 MW and both are therefore exempt from registering with NEMMCO.

According to Clause 6.2 of the Rule, when there is no person registered with NEMMCO as the Generator with respect to a particular generating system, the owner of that Generating System is considered to be the Generator.

The Scheme Administrator confirmed that no person is registered in respect of Wingfield 1 and Wingfield 2. As EDL is the owner and operator of these Systems, the Scheme Administrator was satisfied that EDL meets this eligibility requirement.

Is AGL eligible as the Deemed Retailer?

Clause 6.3 of the Rule defines the Deemed Retailer as, among other things:

the electricity retailer to which the electrical output of the Category A Generating System is deemed pursuant to the Power Purchase Agreement to which the Deemed Retailer is a party...

Clause 73G(2)(b) of the Regulation states that this Power Purchase Agreement (PPA) must still be in force.

Schedule C of the Generation Rule lists AGL as the Deemed Retailer in respect of the Wingfield 1 and Wingfield 2 Generating Systems. In addition, AGL supplied a Statutory Declaration that the PPA that gave rise to the Generating Systems Category A status is still in force.

The Scheme Administrator was satisfied that AGL is eligible as the Deemed Retailer.

2.1.2 Does the project meet the connectivity requirements?

Under Clause 5 of the Rule, the Scheme Administrator may accredit a person with respect to a generating system that:

supplies any electricity at a Connection Point connected to the NSW Electricity Network or a transmission or distribution network interconnected with the NSW Electricity Network.

In effect, this means that eligible generators are those connected to the main transmission networks of the National Electricity Market (NEM), or to distribution systems currently connected to those networks in NSW, the ACT, Queensland, Victoria and South Australia.

Both applications included a site diagram showing that Wingfield 1 and Wingfield 2 are connected to the ETSA Utilities distribution network in South Australia, which is interconnected with the NSW Electricity Network. This satisfied the Scheme Administrator that both met the connectivity requirements.

2.1.3 Does the project have appropriate metering equipment?

Clause 73G(1)(b) of the Regulation states that the Scheme Administrator may accredit a person with respect to an activity if:

the generating system is equipped with metering equipment approved by the Scheme Administrator.

The Scheme Administrator has indicated that it will determine the appropriateness of metering equipment on a case by case basis but, in doing so, will be guided by the requirements of Chapter 7 of the National Electricity Code.

Both applications provided site plans and a detailed description and accuracy classes of metering equipment used, including the:

- current transformer;
- voltage transformer;
- tariff metering; and
- system measuring Landfill Gas methane flow and quality.

EDL was required to submit a legible copy of the site plans. The plans showed the project's metering arrangements, including most of the accuracy classes of the meters. The metering arrangements and accuracy classes were verified during a pre-accreditation audit to confirm that they are appropriate given the requirements of the National Electricity Code.

Both applicants stated that AGL installed and maintains the metering equipment, which records both imported and exported power. AGL stated that the metering equipment was supplied by ETSA Utilities, a NEMMCO Accredited Meter Provider.

As the accuracy classes of the meters were confirmed as appropriate during the audit, the equipment was supplied by an accredited Meter Provider, and the metering arrangements meet Code requirements, the Scheme Administrator approved the metering equipment of the Generating System.

2.1.4 Are appropriate record keeping arrangements in place?

Clause 73G(1)(c) of the Regulation states that the Scheme Administrator may accredit a person if they have appropriate record keeping arrangements.

To be appropriate, the Scheme Administrator believes these arrangements need to:

- be consistent with its Guide to Record Keeping for Abatement Certificate Providers;
- meet the requirements set out in 73IF of the Regulation; and
- provide sufficient data to support the applicant's proposed approach for calculating the number of NGACs it can create (as outlined in its application form).

Are EDL's record keeping arrangements appropriate?

As the Generator, the records relevant to EDL's application relate to the two variables used to calculate the number of NGACs—that is, the Net Sent Out Generation and the number of RECs created:

- EDL stated that it maintains records of the amounts of electricity exported and imported (used to determine Net Sent Out Generation) for both Wingfield 1 and 2. The records contain monthly meter readings supplied by AGL, the Deemed Retailer. EDL provided samples of these records with the application forms; and
- EDL's entitlement to create NGACs is directly linked to the number of RECs it has previously created. EDL provided information about the number of RECs previously

created in relation to Wingfield 1 and 2 and consented to the Scheme Administrator verifying this information.

The Scheme Administrator was satisfied that EDL's record keeping arrangements capture the data needed to accurately calculate the number of NGACs it is entitled to create. This data is entered into the spreadsheet used to calculate both RECs and NGACs.

The Scheme Administrator required an audit of EDL's record keeping arrangements to confirm that they are operational and consistent with the descriptions in the application.

Are AGL's record keeping arrangements appropriate?

As the Deemed Retailer, the records relevant to AGL's application are of the amounts of electricity exported and imported from the distribution or transmission system interconnected with the NSW Electricity Network. This is used to determine Net Sent Out Generation and then calculate NGACs created.

AGL stated that its Meter Service Provider provides it with monthly meter readings, which are then recorded in its NGAC calculator spreadsheet. AGL also provided an electronic version of this spreadsheet with the application form, and was verified during the assessment of the application.

The Scheme Administrator considered the record keeping arrangements, as described in the application, to be adequate. The Scheme Administrator required an audit of AGL's record keeping arrangements to confirm that they are operational and consistent with the descriptions in the application.

2.2 Has the applicant correctly identified the project's generation category and NSW Production Baseline?

The second issue the Scheme Administrator considered is whether the applicant correctly identified the project's generation category, and therefore its NSW Production Baseline. These factors influence what method the applicant should use to calculate the number of NGACs it can create and determine what proportion of the electricity production is eligible for creating NGACs.

2.2.1 In which generation category does the project belong?

Under Clauses 7.1.1 and 7.1.2 of the Generation Rule, for a Generating System to be classified as Category A:

- it must previously have satisfied the criteria for Category A in the Emissions Workbook and been claimed as either Category A or Category F, or be listed in Schedule C of the Generation Rule; and
- the relevant power purchase agreement must still be in place.

Wingfield 1 and Wingfield 2 are both listed in Schedule C of the Generation Rule as Category A Generating Systems. In addition, AGL supplied a Statutory Declaration from a Director that the power purchase agreement that previously allowed Wingfield 1 and Wingfield 2 to be eligible to be classified as Category A, remains in force.

This evidence was sufficient for the Scheme Administrator to classify Wingfield 1 and Wingfield 2 as Category A.

2.2.2 What is the project's NSW Production Baseline?

Clause 8.3(b)(i) of the Generation Rule states that if Office of the Renewable Energy Regulator (ORER) has assigned a REC Baseline to a generating system, that baseline will also serve as the NSW Production Baseline.

Clause 8.5 of the Generation Rule states that where ORER has assigned a collective REC Baseline to a group of generating systems the Scheme Administrator must:

- (i) assign a Baseline to each of the Generating Systems in the group of Generating Systems; or*
- (ii) treat the entire group as if it were a single Generating System.*

Both EDL and AGL included in their application a letter from ORER stating that Wingfield 1 and Wingfield 2 is, for the purposes of the *Renewable Energy (Electricity) Act*, considered as a single power station, and stating that a combined REC Baseline of 30,000 MWh had been assigned. Both applications contained a letter from an authorised officer giving consent to the Scheme Administrator to contact ORER to verify this information.

As both generating systems are in Category A and have power purchase agreements with the same party (AGL), the Scheme Administrator determined to treat Wingfield 1 and Wingfield 2 as a single Generating System. The NSW Production Baseline for this single (combined) Wingfield 1 and 2 Generating System is the combined REC Baseline of 30,000 MWh.

2.3 Is the applicant's proposed method for calculating NGACs appropriate?

The final issue the Scheme Administrator considered was whether the applicant proposes to use the correct method to calculate the number of NGACs it is eligible to create, and has used this method correctly to determine this number.

2.3.1 Is EDL's proposed method appropriate?

EDL proposed to use Equation 6 to create additional NGACs where RECs have already been created for generation above the NSW Production Baseline. This approach was in accordance with Clause 9.5 of the Rule which states that the Generator may create NGACs additional to the RECs already created where the fuel source is landfill gas, sewage gas or cogeneration using a renewable energy source, using Equation 6:

Number of additional

NGACs that may be created = Number of RECs created × (NSW Pool Co-efficient × Emissions Intensity Adjustment Factor – NSW Pool co-efficient – Emissions Intensity)

As part of this approach, Emissions Intensity is calculated using Equation 4:

Emissions intensity = Total Greenhouse Gas Emissions / Net Electricity Generated

Total Greenhouse gas emissions were calculated using Equations 14, 15 and 16. EDL proposed to use the 30% energy efficiency factor in Equation 16.

The key inputs correctly used by EDL to calculate NGACs using Equation 6 were:

- the number of RECs created (based on forecast output above the REC Baseline);
- an Emissions Intensity Adjustment Factor of 1.0, from Table 9 of Schedule A of the Generation Rule, for Generating Systems connected at the distribution level; and
- a calculated emissions intensity, using Equation 4, based on:
 - a default energy content of 30% which, as specified in Equation 16, is to be used where the actual energy content of the waste Methane (CH₄) used as a Renewable Energy Source cannot be identified;
 - CH₄ emissions calculated using Equation 14 and Nitrous Oxide (N₂O) emissions calculated using Equation 15, both using the emissions factors in Table 5 of Schedule A relating to Electricity, Internal Combustion – Natural Gas;
 - fugitive CH₄ emissions avoided using Equation 16, using the default energy content of 30%, as well as the default CH₄ conversion factor of 18; and
 - Net Electricity Sent Out, based on forecasts of Net Sent-Out Generation (as defined in the Generation Rule).

EDL estimated the number of NGACs to be created as a combined figure for Wingfield 1 and 2 and included a spreadsheet showing its calculations in the application. The Scheme Administrator reviewed the spreadsheet and was satisfied that the calculation methodology was appropriate and in accordance with Clause 9.5 of the Rule.

The Scheme Administrator required an initial pre-registration audit of certificates, to confirm the accuracy of inputs to the calculations. The audit occurred concurrently with the pre-accreditation audit of the application.

2.3.2 Is AGL's proposed method appropriate?

Clause 9.1 of the Rule states that for electricity generated by a Category A Generating System, the Deemed Retailer may create the number of NGACs calculated using Equation 1:

Number of NGACs

that may be created = Eligible Generation × (NSW Pool Coefficient × Emissions Intensity Adjustment Factor – Emissions Intensity)

AGL proposed to use Equation 1 to create NGACs for generation below the NSW production baseline where RECs have not been created.

To use Equation 1, the key inputs correctly used by AGL were:

- Eligible Generation is calculated in Equation 3 as the lesser of the Net Electricity Sent Out and the NSW production baseline;
- an Emissions Intensity Adjustment Factor of 1.0, from Table 9 of Schedule A of the Generation Rule, for generating systems connected at the distribution level;
- a calculated emissions intensity, using Equation 4, based on:
 - A default engine energy content of 30%, as specified in Equation 16, to be used where the actual energy content of the waste CH₄ used as a Renewable Energy Source cannot be identified;
 - CH₄ emissions calculated using Equation 14 and N₂O emissions calculated using Equation 15, both using the emissions factors in Table 5 of Schedule A relating to Electricity, Internal Combustion – Natural Gas; and
 - Fugitive CH₄ emissions avoided using Equation 16, using the default energy content of 30%, as well as the default CH₄ conversion factor of 18.

AGL included an electronic version of the spreadsheet used to calculate NGACs in its application. The Scheme Administrator reviewed the spreadsheet and was satisfied that the calculation methodology had been correctly applied and that AGL had accurately calculated the number of NGACs it is eligible to create.

2.3.3 How much of the eligible abatement achieved by the project are the applicants entitled to use to create NGACs?

Clause 9.7 of the Rule states that any funding granted for a project from 1 January 2003 under the Greenhouse Gas Abatement Program (GGAP), a Commonwealth program, will reduce the number of NGACs the applicant is entitled to create. For example, if GGAP funding represents 20% of total project funding, the project applicant can only create NGACs for 80% of the eligible abatement achieved.

EDL stated in the application that no GGAP funding had been received for Wingfield 1 or Wingfield 2. The Scheme Administrator verified this by checking the publicly available list of GGAP funding on the Australian Greenhouse Office (AGO) website and confirmed that EDL is entitled to create NGACs from 100% of the eligible abatement achieved.

AGL stated in its application that it did not receive any GGAP funding after 1 January 2003. The Scheme Administrator confirmed that no GGAP funding had been approved for 2003, and was satisfied that AGL is entitled to create NGACs from 100% of the eligible abatement achieved.

Part Three – Obtaining Audit Assurance

3.1 What scope of audit is required prior to approval?

Based on its initial assessment of the applications, the Scheme Administrator commissioned an audit of each application to provide assurance that:

- each applicant's record keeping arrangements:
 - meet the requirements of 73IF of the *Electricity Supply (General) Regulation 2001*;
 - are consistent with the Guide to Record Keeping for Abatement Certificate Providers; and
 - support the creation of NGACs using the approach outlined by the applicant in the application form and demonstrate the ability to achieve on-going compliance with the Rule for the purpose of certificate creation.
- the metering equipment shown in the applications fairly represents the project's actual metering equipment; and
- the nameplate ratings of the generating units detailed in the application fairly represent the actual ratings.

The Scheme Administrator required the auditors to recommend to it, if relevant, any conditions of accreditation to which the applicants should be subject.

These audits were undertaken by different audit firms. The cost to EDL of the audit was \$5,200 (excluding GST). This figure reflected the fact that many aspects of EDL's record keeping arrangements had been previously audited. The cost to AGL of the audit was \$9,900 (excluding GST).

3.2 What were the results of this audit?

Both auditors conducted a series of tests and procedures including:

- physically verifying that the actual metering and record keeping systems are as specified in the application;
- confirming that details of the project given in the application are supported by documentation;
- testing samples of source data;
- confirming that the number of NGACs created has been accurately calculated;
- discussing details of systems, procedures and controls with the relevant applicant personnel; and
- observing and reviewing relevant documentation.

Audit findings reported to EDL

The audit found that:

- the metering arrangements shown in the application fairly represent the actual metering arrangements; and
- EDL's record keeping arrangements are considered adequate to:
 - meet the requirements of *73IF of the Electricity Supply (General) Regulation 2001*;
 - be consistent with the Guide to Record Keeping for Abatement Certificate Providers; and
 - support the creation NGACs using the approach outlined by EDL in the application form and demonstrate the ability to achieve on-going compliance with the Rule for the purpose of certificate creation.

Audit findings reported to AGL

The audit found that:

- AGL's record keeping arrangements are adequate to meet the requirements of the *Electricity Supply (General) Regulation 2001*;
- AGL's record keeping policies, procedures and practices are consistent with the Guide to Record Keeping for Abatement Certificate Providers; and
- AGL's approach to NGAC creation was correct and complied with the relevant Scheme Rules.

Further, the auditor expressed the opinion that AGL has the ability to achieve on-going compliance with the Scheme Rules for the creation of abatement certificates.

Part Four – Making a Final Decision

4.1 Did the audit provide the necessary assurance?

EDL

The auditor's findings assured the Scheme Administrator that:

- EDL has sufficient record keeping arrangements to support the creation of NGACs and to be consistent with the Guide to Record Keeping for Abatement Certificate Providers; and
- EDL's metering arrangements are adequate to meet the requirements of Clause 73G(1)(b) of the Regulation.

It therefore decided to accredit EDL as an Abatement Certificate Provider in respect of the Wingfield 1 and 2 Landfill gas Generating System.

AGL

The Scheme Administrator was satisfied that AGL's application in respect of Wingfield 1 and 2 met the requirements of the Generation Rule and decided to accredit AGL as an Abatement Certificate Provider in respect of the Wingfield 1 and 2 Landfill gas Generating System.

4.2 What special conditions and on-going audit and reporting conditions should accreditation be subject to?

EDL

In addition to the standard accreditation conditions applying to Generators, the Scheme Administrator imposed two specific conditions of accreditation. These conditions require EDL to:

- provide an annual written report to the Scheme Administrator confirming that:
 - the Accredited Generating System is still fully operating in the manner indicated in the application; and
 - the characteristics and details of the Accredited Generation Activity are not materially different from the characteristics and details identified in the application
- maintain records of:
 - the amount of electricity supplied by the Generating System used in connection with the Accredited Generation Activity;
 - the type of fuel or fuels used by that Generating System to generate electricity; and
 - the source of the fuel or fuels.

Due to the positive assurance provided by the pre-accreditation audit, the Scheme Administrator was satisfied that a pre-registration audit is not required and that annual audits will be sufficient to provide assurance that record keeping arrangements remain in place and operational and support the creation of the appropriate number of NGACs.

The Scheme Administrator considers the maintenance of the records detailed in the special conditions is necessary for the appropriate calculation of NGACs using the equations set out in the Generation Rule.

AGL

The standard conditions of accreditation applying to Deemed Retailers will apply to AGL with respect to the Wingfield 1& 2 Generating System. AGL is required to undergo an annual audit of certificate creation and provide an annual report confirming that:

- the accredited generating system is still operating fully in the manner shown in the application; and
- the characteristics and details of the accredited generation activity are not materially different from those shown in the application.

The Scheme Administrator's decision to require an audit within twelve months of accreditation was based on the positive assurance received in the auditor's report on AGL's application for accreditation.

Part Five - Summary

Assessment of Application: EDL - Generator		Accreditation, audit scope and findings	Accreditation conditions
Project Description	<ul style="list-style-type: none"> ■ Two generating systems, Wingfield I and Wingfield II, considered as a single generating system, Wingfield I and II ■ Sole fuel used is landfill gas ■ Both generating systems have nameplate ratings below 30 MW 	<ul style="list-style-type: none"> ■ Audit verified: <ul style="list-style-type: none"> - metering arrangements; - record keeping arrangements; and - that calculation of NGACs complies with Rule. ■ Audit cost: \$5,200 (excluding GST) ■ Audit results satisfactory 	<ul style="list-style-type: none"> ■ General conditions of accreditation for Generators ■ Annual audit of abatement certificate creation ■ On-going annual reporting
Eligibility as the Generator	<ul style="list-style-type: none"> ■ EDL owns and operates the generating systems and is eligible for accreditation as the generator 		
Connectivity and supply of electricity	<ul style="list-style-type: none"> ■ Connected to a distribution network interconnected with the NSW Electricity Network 		
Category of Generating System	<ul style="list-style-type: none"> ■ Category A 		
NSW Production Baseline	<ul style="list-style-type: none"> ■ NSW Production Baseline is the REC Baseline of 30,000MWh 		
NGAC calculation methodology	<ul style="list-style-type: none"> ■ NGACs created in addition to RECs from generation, to be calculated using Equation 6 of the Generation Rule 		
Metering	<ul style="list-style-type: none"> ■ Adequate metering arrangements in place 		

Assessment of Application: EDL - Generator		Accreditation, audit scope and findings	Accreditation conditions
Record Keeping Arrangements	<ul style="list-style-type: none"> ■ Records of imported and exported electricity are maintained ■ Records are supplied by the deemed retailer (AGL) ■ Records of number of RECs created are maintained ■ Systems are in place to record calculations of number of NGACs created ■ Record keeping arrangements approved as adequate 		
Assessment of Application: AGL – Deemed Retailer		Accreditation, audit scope and findings	Accreditation conditions
Project Description	<ul style="list-style-type: none"> ■ Two generating systems, Wingfield 1 and Wingfield 2, considered as a single generating system, Wingfield 1 and 2 ■ Sole fuel used is landfill gas ■ Both generating systems have nameplate ratings below 30 MW 	<ul style="list-style-type: none"> ■ Audit verified: <ul style="list-style-type: none"> - metering arrangements - record keeping arrangements - that calculation of NGACs complies with Rule Audit cost: \$9,900 (excluding GST) <ul style="list-style-type: none"> ■ Audit results satisfactory 	<ul style="list-style-type: none"> ■ Standard conditions of accreditation for Deemed Retailers ■ An audit within twelve months accreditation ■ On- going annual reporting
Eligibility as the Deemed Retailer	<ul style="list-style-type: none"> ■ AGL is eligible for accreditation as the Deemed Retailer as it is listed in Schedule C of the Rule as the Deemed Retailer for these generating systems and the PPA remains on foot 		
Connectivity and supply of electricity	<ul style="list-style-type: none"> ■ Connected to a distribution network interconnected with the NSW Electricity Network 		

Assessment of Application: AGL – Deemed Retailer		Accreditation, audit scope and findings	Accreditation conditions
Category of Generating System	<ul style="list-style-type: none"> ■ Category A 		
NSW Production Baseline	<ul style="list-style-type: none"> ■ NSW Production Baseline is the REC Baseline of 30,000MWh 		
NGAC calculation methodology	<ul style="list-style-type: none"> ■ NGACs to be created using Equation 1 of the Generation Rule ■ Defaults from Generation Rule used for engine efficiency , emission factors and CH4 conversion factor 		
Metering	<ul style="list-style-type: none"> ■ Adequate metering arrangements in place 		
Record Keeping Arrangements	<ul style="list-style-type: none"> ■ Records of imported and exported electricity maintained and used to determine Net Sent Out Generation ■ Records of monthly meter readings provided by meter data provider ■ Systems in place to record calculations for NGAC creation ■ Record keeping arrangements approved as adequate 		

Part Six – Terms and Definitions

Term	Definition
Abatement Certificate	A certificate represents one tonne of carbon dioxide equivalent of greenhouse gas emissions, the release of which into the atmosphere was avoided, or which was removed from the atmosphere by the activity in respect of which it was created
Abator	The person contractually liable for the energy consumed in the installation or site that is the subject of a greenhouse abatement activity, or the person nominated to be the abator in respect of greenhouse abatement activity by written agreement. This particularly applies for demand side abatement activities
Accreditation	Authorisation given by the Scheme Administrator to an abatement certificate provider to create abatement certificates in respect of a specified activity, once eligibility against the Greenhouse Gas Benchmark Rules is satisfied
NSW Pool Coefficient	The average emissions per unit of electricity delivered at transmission nodes for all generating systems supplying the notional NSW pool, as determined in accordance with the Compliance Rule; this factor is announced by the Tribunal by 30 November each year.
Demand side abatement	Activities that reduce emissions by reducing electricity consumption through increased efficiency of electricity consumption, eligible on-site electricity generation, and substitution of sources of energy for electricity or substitution of electricity for other sources of energy
Financial Assurance	This may be required by the Scheme Administrator to secure or guarantee an abatement certificate provider's compliance with the surrender of any certificates against any breach of accreditation conditions or the improper creation of certificates
Greenhouse gas	A generic term for gases such as carbon dioxide, methane, nitrous oxide, perfluorocarbon or sulphur hexafluoride, as defined in the Act and the Regulation
Greenhouse Gas Abatement Program (GGAP)	An environmental initiative administered by the Commonwealth Government's Australian Greenhouse Office to reduce Australia's net greenhouse gas emissions by supporting activities that are likely to result in substantial emission reductions or substantial sink enhancement
NGAC	A NSW Greenhouse Abatement Certificate; a transferable certificate in the scheme
Office of the Renewable Energy Regulator (ORER)	The Commonwealth Regulator of the Mandatory Renewable Energy Target Scheme
Scheme administrator	The body administering functions such as accrediting abatement certificate providers, verifying abatement activity and maintaining a registry of certificates; this is IPART, in the first instance

For a complete list of terms refer to the Glossary of terms on the Scheme website.