



# GGAS Newsletter

Issue 12, June 2009

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## Introduction

The announcement by the Commonwealth Government in May to delay the commencement of the Carbon Pollution Reduction Scheme (CPRS) until 1 July 2011 means that GGAS will now continue for another two years or until the CPRS starts.



The NSW Government is negotiating with the Commonwealth seeking to ensure a smooth transition to the CPRS when it commences. Companies particularly adversely affected in the transition into the CPRS have been identified and negotiations are in progress to address the impact of the early closure of GGAS on those companies.



The NSW Government's Energy Savings Scheme (ESS) is on track to start on 1 July 2009 and at that time projects currently accredited to carry out energy efficiency projects under GGAS will automatically transition across to the ESS. These projects will start to create Energy Savings Certificates (ESCs) and will no longer create DSA NGACs.



Tradeable certificates under GGAS will continue to be created under the Generation and Carbon Sequestration Rules. Future supply will also see new projects coming on line as future project applications transition into 'built' projects and begin to generate NGACs. The reduction arising from the cessation of DSA NGAC projects will maintain a healthy balance between supply and demand of certificates for the remaining years of the Scheme.



## The Energy Savings Scheme

The Energy Savings Scheme (ESS) will commence on 1 July 2009, and will replace the Demand Side Abatement (DSA) Rule for end-use energy efficiency activities. The legislation for the ESS has been introduced into the NSW Parliament.

A draft ESS Rule has been developed and made available for consultation. The ESS Rule incorporates additional default calculation methodologies, and default energy savings factors in comparison to the DSA Rule. The ESS will differ in some ways from the DSA Rule in the activities that will be eligible. As an example, the replacement of incandescent lamps with compact fluorescent lamps (CFLs) will no longer be an eligible activity under the ESS. Persons who wish to comment on the Draft ESS Rule should submit comments to the ESS Rule Maker, the Department of Water and Energy (DWE) prior to the close of the consultation process. The draft Rule is available on the DWE website at [www.dwe.nsw.gov.au](http://www.dwe.nsw.gov.au).

Parties accredited under the DSA Rule for energy efficiency activities will have their accreditation transitioned into the ESS after 1 July 2009, provided the accreditation is performing activities that are still eligible under the ESS. It is the Scheme Administrator's intention to make this transition process as straightforward as possible for parties accredited under the DSA Rule. A letter was sent to each DSA participant in March 2009 notifying them of the transition from the DSA to the ESS. The letter also requested that each DSA participant provide a formal indication as to whether they wished to transition to the ESS. The Scheme Administrator advises that any DSA participant interested in participating in the ESS should submit their response as soon as possible.

For persons interested in applying for accreditation under ESS, the Scheme Administrator is developing the ESS application forms and processes, and these will be available following the amendment of the Scheme.

### NSW Greenhouse Gas Reduction Scheme

Independent Pricing & Regulatory Tribunal  
PO Box Q290, QVB Post Office NSW 1230  
Level 8, 1 Market Street, Sydney NSW 2000  
(02) 9290 8452

[www.ipart.nsw.gov.au](http://www.ipart.nsw.gov.au)

[www.greenhousegas.nsw.gov.au](http://www.greenhousegas.nsw.gov.au)

GGAS

## Site visit: North Head Cogeneration Plant

Members of the GGAS Secretariat attended the pre-accreditation audit of Sydney Water's North Head Cogeneration Plant during April 2009. The North Head Cogeneration Plant is located at Sydney Water's North Head Sewage Treatment Plant in Manly, Sydney.

The cogeneration plant consists of one 1416kW cogeneration engine/generator, which uses sewage gas as its sole fuel source and provides electricity and waste heat to the sewage treatment plant. The sewage gas is generated from the biosolids digestion system which has recently been installed at the North Head site. The sewage gas is pre-treated in a scrubber system prior to being transferred to the cogeneration unit. The waste heat from electricity generation is used to heat incoming sludge (to the biosolids plant) and promote the sludge digestion process, while the electricity generation is used onsite thereby replacing the need for grid supply.

Sydney Water is entitled to create NGACs for combusting methane in the sewage gas (Clause 12 of the DSA Rule and Equation 6 of the Generation Rule) which would have otherwise have been emitted to the atmosphere

Figure 1 shows the scrubber system for the incoming sewage gas (biogas) that comes from a gas holder on the left of this picture. Figure 2 shows the GE Jenbacher cogeneration unit which is installed adjacent to the sludge digesters (on the left). Figure 3 shows a close up of the piping for biogas scrubber system.

Sydney Water was accredited by the Scheme Administrator for the North Head Cogeneration Plant on 3 June 2009.



Figure 1: Scrubber system for the sewage gas (biogas)



Figure 2: GE Jenbacher cogeneration unit



Figure 3: Piping for biogas scrubber system

## Registration of 2008 vintage certificates

The Scheme Administrator would like to remind all Abatement Certificate Providers who have accredited abatement projects that the registration of NGACs (or LUACs) for abatement that occurred in the 2008 calendar year **must** be completed by 30 June 2009. Certificates for 2008 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 is still valid. The Key User is the person designated as the key GGAS 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.

## ESS information on GGAS website

A new Energy Savings Scheme (ESS) page has been added to the GGAS website at [www.greenhousegas.nsw.gov.au/ESS/ess.asp](http://www.greenhousegas.nsw.gov.au/ESS/ess.asp)

The new webpage is designed to be a central point for the Scheme Administrator to provide updates on the development and implementation of the ESS. It also contains specific information on arrangements for ACPs accredited under the GGAS Demand Side Abatement (DSA) Rule transitioning into the ESS.

As the 1 July 2009 launch of the ESS approaches, the page will be updated with links to the ESS Legislation, Regulation, Rule and other documents and information relevant to intended participants and interested parties.

A new ESS website will be launched on 1 July 2009.

## 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 2009. All NGACs that have been surrendered at this time will be accepted by the Scheme Administrator and subsequently cancelled on 30 June.

The GGAS Registry allows owners of abatement 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 greenhouse gas abatement represented by the certificates.

For further information regarding how to voluntarily surrender certificates please see our fact sheet: [www.greenhousegas.nsw.gov.au/documents/syn98.asp](http://www.greenhousegas.nsw.gov.au/documents/syn98.asp)

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

## Registry statistics

### Abatement certificates created since the Scheme commenced:

DSA	29,251,931
Generation	55,590,647
Carbon Sequestration	2,005,730
Large User	3,424,250

### Current accreditations as at 31 May 2009<sup>^</sup>:

DSA	78
Generation	130
Carbon Sequestration	7
Large User	9

### New accreditations in the last 3 months (1 March – 31 May)\*:

DSA	0
Generation	2
Carbon Sequestration	0
Large User	0

<sup>^</sup>Note, accreditation totals include multiple projects.

\*Figures in the 'New accreditations in last 3 months' table are included in the 'Current accreditations' table.

Data as at 31 May 2009