

GGAS

SCHEME GLOSSARY

This glossary provides a general guide to the terminology used in the Scheme. It is designed to be read in conjunction with the [Act](#), [Regulation](#) and [Greenhouse Gas Benchmark Rules](#). This glossary should not be relied upon as a substitute for legal advice, and does not override the true definitions of these terms in the Act, Regulations or Greenhouse Gas Benchmark Rules.

Term	Meaning
Abatement Certificate	A certificate represents one tonne of carbon dioxide equivalent (tCO ₂ -e) 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.
Abatement Certificate Provider	A person accredited by the Scheme Administrator under one of the Greenhouse Gas Abatement Rules in respect of an abatement activity.
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.
Attributable Emissions	Determined for each benchmark participant each year by multiplying the total electricity purchased (at the transmission node ie from NEMMCO plus any other purchases adjusted to the transmission node) by the NSW pool coefficient, less any abatement certificates (ie NGACs and, if appropriate, LUACs) surrendered and RECs taken into account.
Australian Building Greenhouse Rating Scheme	The Australian Building Greenhouse Rating (ABGR) Scheme is one acceptable methodology to use to normalise baselines for new or existing office buildings, after adjusting for any Green Power purchases. Generally a new office building must exceed a minimum 4 star rating before any NGACs may be created.
Baselines	The required level of activity undertaken, or the degree of greenhouse intensity which must be bettered, by an accredited abatement certificate provider before it is permitted to create abatement certificates.
Benchmark Participant	A person who is required or has elected to comply with a greenhouse gas benchmark.
Carbon Dioxide Equivalent (CO ₂ -e)	Carbon dioxide equivalent of greenhouse gas emissions means the mass of carbon dioxide measured in tonnes that has the same global warming potential as the unit mass of the gas emissions. Each abatement certificate represents one tonne of carbon dioxide equivalent abated.

Term	Meaning
Carbon Sequestration	The process of removing carbon from the atmosphere and storing it within an eligible planted forest in NSW.
Carbon Sequestration Rule	Greenhouse Gas Benchmark (Carbon Sequestration) Rule No.5 of 2003
Compliance Rule	Greenhouse Gas Benchmark (Compliance) Rule No.1 of 2003
Compliance Year	The period 1 January to 31 December of each year, for which benchmark participants must report compliance by 18 March in the following year.
Confidence Factor	Under the DSA Rule and the Large User Rule, the type of engineering assessment of reduced energy consumption undertaken determines the level of accuracy for the calculation of abatement certificates and hence the confidence factor. The more accurate the calculation, the higher the confidence factor, and the more NGACs that can be created for a given level of estimated abatement.
Consumer Price Index (CPI)	Under the Scheme, the greenhouse penalty is adjusted each year by the consumer price index (CPI – All Groups Index), on and from 1 July in each year.
Deemed End User Purchases	The total of the exempt sales of a Mandatory Benchmark Participant to an Elective Benchmark Participant multiplied by the DLF listed in Table 7 of the Compliance Rule.
Deemed Retailer	An accredited abatement certificate provider that is an electricity retailer to which the electrical output of a Category A generating system is allocated pursuant to a Power Purchase Agreement to which the retailer is a party (see definition for Emissions Workbook).
Default Abatement Factor	Used to calculate the number of abatement certificates that may be created from the installation of common equipment such as compact fluorescent lamps, AAA rated showerheads, refrigerators and certain electric motors.
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.
Distribution Loss Factor (DLF)	The distribution loss factor is the value of the electrical losses calculated for various points in the electricity distribution network.
DSA Rule	Greenhouse Gas Benchmark (Demand Side Abatement) Rule No.3 of 2003.
Efficiency Improvement Approach	A method used under the Generation Rule to measure greenhouse gas emission reductions. Can be used by certain types of generators that make improvements in the efficiency of electricity production (and thereby reduce their emission intensity).
Elective Benchmark Participant	An eligible large customer or a person engaged in carrying out a State significant project, who has chosen to manage its own greenhouse gas benchmark, and whose election is in force.

Term	Meaning
Electricity Sector Benchmark	Total allowable greenhouse gas emissions from the electricity sector in NSW calculated by multiplying the Total State Population by the State Greenhouse Gas Benchmark per head of population for that compliance year. The Electricity Sector Benchmark is announced by the Tribunal prior to each compliance year (by 30 November each year).
Embedded Generator	An embedded generator or an embedded generating system means a generating system that is connected to the distribution network as defined in the National Electricity Code.
Emissions Workbook	The document entitled Greenhouse Gas Emissions from Electricity Supplied in NSW: Emissions Workbook published by the Ministry of Energy & Utilities in October 2000.
Exempt Sales	The total electricity sold to an elective benchmark participant by another mandatory benchmark participant during the Compliance Year.
Fugitive Emissions	Greenhouse gases that are discharged into the air as a result of the extraction, transport or production of fossil fuels. Fugitive emissions also include greenhouse gas emissions from landfill sites, sewage treatment works and some industrial processes.
Generation Rule	Greenhouse Gas Benchmark (Generation) Rule No.2 of 2003
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.
Greenhouse Gas Benchmark	This is the individual target which must be met by benchmark participants each compliance year and represents their individual share of the overall emissions target for NSW (the Electricity Sector Benchmark).
Greenhouse Gas Benchmark Rules	These set out how benchmark participants will measure their compliance and how accredited abatement certificate providers are to calculate the number of certificates that they are entitled to create. The Rules are amended from time to time by the Minister for Energy. The most current version of the Rule should be used when calculating entitlements or for compliance.
Greenhouse Penalty	The amount a benchmark participant is liable to pay (subject to CPI adjustments) per tonne of carbon dioxide equivalent in respect of excess emissions if they fail to comply with their greenhouse gas benchmark.
Greenhouse Shortfall	The difference between a benchmark participant's attributable emissions and its individual greenhouse gas benchmark; if the greenhouse shortfall does not exceed ten per cent of a benchmark participant's greenhouse gas benchmark for that year, it may be carried forward to the following year (except in 2007) and a penalty will not apply.

Term	Meaning
Large Customer	A customer under an electricity supply contract, other than a retail supplier, who uses 100 GWh or more of electricity at a single site or uses 100 GWh or more of electricity at more than one site, at least one of which uses 50 GWh or more of electricity in NSW.
Large User Rule	Greenhouse Gas Abatement (Large User Abatement Certificate) Rule No.4 of 2003
Loss Factor	The value of electrical energy losses incurred in the conveyance of electricity over a distribution or transmission system.
LUAC	A Large User Abatement Certificate; a non-tradeable certificate in the NSW Greenhouse Gas Abatement Scheme.
MRET	The Mandatory Renewable Energy Target (MRET) Scheme. Introduced by the Commonwealth government through the Renewable Energy (Electricity) Act 2000, the MRET places a legal liability on wholesale purchasers of electricity to proportionately contribute towards the generation of an additional 9,500GWh of renewable energy per year by 2010.
National Electricity Market Management Company (NEMMCO)	The body corporate responsible for the administration and operation of the wholesale national electricity market in accordance with the National Electricity Code.
National Greenhouse Gas Inventory (NGGI)	As part of commitments under the United Nations Framework Convention on Climate Change (UNFCCC), Australia, through the Australian Greenhouse Office, has produced an annual listing of national greenhouse gas emissions since 1990 known as the National Greenhouse Gas Inventory.
NGAC	A Greenhouse Abatement Certificate; a tradeable certificate in the Greenhouse Gas Abatement Scheme.
Office of the Renewable Energy Regulator (ORER)	The Commonwealth Regulator of the Mandatory Renewable Energy Target Scheme.
Penalty Unit	Each unit is currently \$110; it is defined in Section 17 of the Crimes (Sentencing Procedure) Act 1999.
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.
Relative Intensity Approach	A method used under the Generation Rule to measure greenhouse gas emission reductions. Can be used by generators that produce electricity of lower emission intensity than the pool coefficient.
Renewable Energy Certificate (REC)	A Commonwealth certificate surrendered under the Mandatory Renewable Energy Target (MRET) Scheme that may be brought to account against a benchmark participant's benchmark in the NSW Greenhouse Gas Abatement Scheme, based on NSW sales.
Renewable Power Percentage (RPP)	The percentage of electricity sold which NSW retailers must surrender equivalent RECS to ORER each year, under the MRET scheme

Term	Meaning
Retail Supplier	A mandatory benchmark participant under the Greenhouse Gas Abatement Scheme. Includes all holders of an electricity retail licence in NSW.
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.
Scheme Registry	An online registry of Abatement Certificate Providers and Abatement Certificates.
Specific Abatement Project (SAP)	A specific project in which a change to an industrial process results in an identifiable and measurable reduction in greenhouse gas emissions, as defined under the Large User Rule.
State Significant Development	A development that the Minister for Planning has determined is of State or regional significance.
Total Electricity Purchased	This is the total amount of electricity purchased from NEMMCO, measured at transmission nodes, and embedded generators, measured at the point of generation, by all benchmark participants for use in NSW through the compliance year. For a detailed description of the calculations, see Clause 7 of the Compliance Rule.
Total State Electricity Demand	The projected electricity consumption in NSW, as determined in accordance with the Compliance Rule; this factor is announced by IPART by 30 November each year.
Total State Population	The projected total number of persons in NSW, as determined in accordance with the Compliance Rule, this factor is announced by IPART by 30 November each year.