



# GUIDE TO COMPLETING ANNUAL GREENHOUSE GAS BENCHMARK STATEMENT

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## 1 Introduction

### 1.1 Purpose of the Guide

This Guide assists Benchmark Participants wishing to demonstrate compliance with greenhouse gas benchmarks under the Greenhouse Gas Benchmark Rule (Compliance) No.1 of 2003. It provides guidance to assist in completing the 'Annual Greenhouse Gas Benchmark Statement' (the Statement).

**Please note that this Guide does not substitute for legal advice.**

### 1.2 Supporting Documents

The NSW Greenhouse Gas Reduction Scheme (the Scheme) is implemented through Part 8A of the *Electricity Supply Act 1995* (the Act). The Act outlines liability requirements for Benchmark Participants and establishes the classes of activities that are eligible for the creation of abatement certificates (transferable NSW Greenhouse Abatement Certificates (NGACs) and non-transferable Large User Abatement Certificates (LUACs)).

Part 8A and Part 8B of the *Electricity Supply (General) Regulation 2001* (the Regulation) provide further guidance on the implementation and operation of the Scheme.

A series of Greenhouse Gas Benchmark Rules (the Rules) support the legislation and detail how the Benchmark Participants will measure their compliance and how abatement certificates are created. Benchmark Participants completing the Annual Greenhouse Gas Benchmark Statement should refer to the *Greenhouse Gas Benchmark Rule (Compliance) No.1 of 2003* (the Rule).

These documents can be downloaded from the Scheme website [www.greenhousegas.nsw.gov.au](http://www.greenhousegas.nsw.gov.au)

### 1.3 Compliance Process

All Benchmark Participants must demonstrate compliance with greenhouse gas benchmarks and lodge an Annual Greenhouse Gas Benchmark Statement with the Tribunal for a compliance year by no later than 18 March of the year following the compliance year or any later date permitted by the Tribunal (section 97CB(1) of the Act). The Tribunal will advise Benchmark participants if Annual Greenhouse Gas Benchmark Statements can be lodged after 18 March.

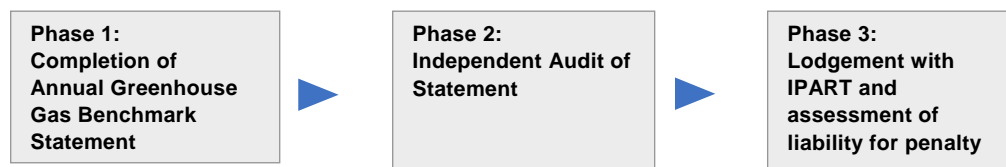
It is an offence for a Benchmark Participant to fail to lodge a Statement by the time stipulated in the Act (section 97CB(5) of the Act - see comments below on Phase 3 of the compliance process).

A Benchmark Participant that has purchased electricity at any time in the compliance year must demonstrate compliance with greenhouse gas benchmarks by completing the compliance process shown in Figure 1.

The Statement calculates a Benchmark Participant's greenhouse gas benchmark, shortfall and liability (if any) for a greenhouse penalty. The greenhouse penalty is \$12.50 (for 2009 Compliance

Year, adjusted by the Consumer Price Index each July) per tonne of carbon dioxide equivalent if there is a greenhouse shortfall.

**Figure 1: Compliance Process**



### Phase 1: Completion of Statement

Participants seeking to demonstrate compliance must:

- Complete the Statement (refer to Section 2 of this Guide)
- Attach supporting documents, and
- Arrange for the Statement to be audited (refer to Phase 2).

### Phase 2: Independent Audit of Statement

The Tribunal (pursuant to section 97H(1)(d) of the Act) requires the Statement to be audited prior to submission to the Tribunal.

It should be noted that the Statement will not be considered to be in a form approved by the Tribunal (for the purposes of section 97CB(3) of the Act) until an Audit Report is attached to it at the end of Phase 2.

The *Audit Guideline*, available on the greenhouse gas website ([www.greenhousegas.nsw.gov.au](http://www.greenhousegas.nsw.gov.au)), sets out the requirements for auditors and describes the audit arrangements and requirements for Audit Reports in detail.

Some key aspects of the arrangements are that auditors of Statements must be selected from the 'Audit and Technical Services Panel' and must be authorised to undertake audits of Statements. All panel members and the aspects of the Scheme for which they have been approved are listed on the Scheme website. The auditor of a Statement is engaged and paid by the Benchmark Participant. The auditor remains accountable to the Tribunal for the quality and independence of the audit opinion contained in the Audit Report. The contract between the Benchmark Participant and the auditor, including the engagement process, must be consistent with Schedule 2 of the *Audit and Technical Services Panel Agreement*. A more detailed description of the audit requirements is given in the *Audit Guideline*.

Prior to work commencing on the audit, the auditor must provide the Tribunal with information about the audit scope, audit team and other detailed information on the audit procedures and allow 14 days for the Tribunal to respond. The Tribunal reviews the audit team, the detailed scope of work and, among other things, must be satisfied that the auditor is not affected by a conflict of interest.

Benchmark Participants should be sure to allow sufficient time for the appointment of the auditor, review by the Tribunal, the audit and signing of the Benchmark Statement.

The documents described above are available from the Scheme website. These include the *Audit Guideline*, *Compliance Generic Audit Scope*, a list of *Approved Audit and Technical Service Providers*, and the *Audit and Technical Services Panel Agreement*.

### **Phase 3: Lodgement with the Tribunal and Assessment of any Shortfall and any liability for penalty**

The completed Statement (with Audit Report attached as required under Phase 2) must be lodged with the Tribunal by 18 March (or any later day permitted by the Tribunal) for the previous calendar year. For example, Benchmark Statements relating to the 2009 Compliance Year are to be lodged with the Tribunal by 18 March 2010 (or a later day permitted by the Tribunal). An electronic copy of the Statement is also required be lodged with the Tribunal. Electronic copies of the Statement should be emailed to [ggas@ipart.nsw.gov.au](mailto:ggas@ipart.nsw.gov.au)

A greenhouse penalty payable for a Compliance Year is due on 18 March the following year (or any later date determined by the Tribunal) - the same date as the completed statement. The assessment of greenhouse shortfall and liability for penalty included in a completed Statement is taken to be the greenhouse shortfall and liability for penalty by the Participant for the year concerned, unless another assessment is made by the Tribunal. The Tribunal reserves its right to make its own assessment (or to amend a Participant's assessment) in accordance with the Act and the Regulations following lodgement of the Participant's Statement.

The assessment of greenhouse shortfall in the completed Statement takes effect as if it were a notice of assessment signed by the Tribunal and given to the Participant (subject to any subsequent assessment or amended assessment made by the Tribunal). The assessment is taken to have been made on 18 March in the year following the Compliance Year or the day on which the greenhouse gas benchmark statement is lodged (whichever is later). (Note: Benchmark Participants may carry forward to the following year up to 10% of their benchmark – see section 2.2, paragraph 2(a) of this guide for more detail.)

#### **1.4 Benchmark Participants that have not purchased any electricity**

Benchmark Participants that have made no electricity purchases in NSW during the compliance year do not need to complete the Excel spreadsheet which is the companion to this guide. Instead, benchmark participants with zero electricity purchases can demonstrate compliance with greenhouse gas benchmarks by completing the “Annual Greenhouse Gas Benchmark Statement – Form 2” which is included in Part 3 of this Guide. Benchmark Participants with zero electricity purchases who are completing the Form 2 declaration do not need to have that declaration audited. The “Annual Greenhouse Gas Benchmark Statement – Form 2” must be lodged with the Tribunal by 18 March of the year following the compliance year or any later date permitted by the Tribunal.

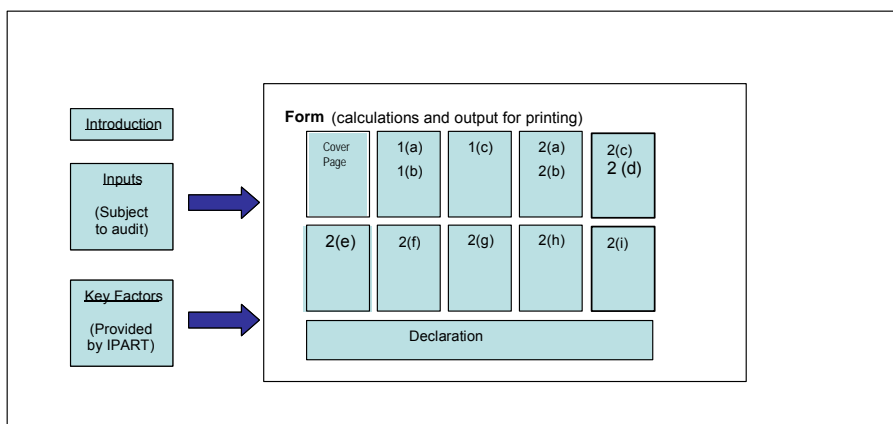
## 2 Completing the Statement

The following section provides a step-by-step guide to completing the Statement.

### 2.1 Overview

The Statement is in the form of a Microsoft Excel spreadsheet. The structure of the spreadsheet is illustrated in Figure 2 below. There are fourteen different worksheets contained in the spreadsheet, including an “Introduction” worksheet which briefly describes how the spreadsheet is intended to be used by Benchmark Participants and emphasises that the Statement should be completed in close consultation with this Guide.

**Figure 2: Structure of Statement spreadsheet**



The “Inputs” worksheet is where the Benchmark Participant enters the appropriate information required to fulfil the compliance obligations. This is the only worksheet that can be altered by the Benchmark Participant. The rest of the worksheets are locked so that they can be viewed and printed, but not changed.

The “Key Factors” worksheet contains information such as NSW Pool Coefficients, Total State Electricity Demand, Total State Population, State Greenhouse Gas Benchmarks and Electricity Sector Benchmarks. These factors are determined and published by the Tribunal in accordance with the Act (section 97BF) and the Rule and cannot be changed within the spreadsheet.

The information entered into the “Inputs” worksheet and the factors contained in the “Key Factors” worksheet are automatically transferred to the various “Form” worksheets where the required calculations are performed to derive the Benchmark Participant’s Greenhouse Shortfall.

The various “Form” worksheets are formatted to allow them to be printed and bound. The resulting document must be signed and, together with any attachments required and the Auditor’s Report must be lodged with the Tribunal (see Section 3 for address details). An electronic copy of the Statement is also required be lodged with the Tribunal. Electronic copies of the Statement should be emailed to [ggas@ipart.nsw.gov.au](mailto:ggas@ipart.nsw.gov.au).

## 2.2 Inputs for all Benchmark Participants

The first box in the “Inputs” worksheet lays out the information that the Statement requires from all Benchmark Participants, including legal names, Compliance Year, contact details, carry forward details and numbers of certificates surrendered.

Cells coloured blue signify that an input is required. Only data input into the blue cells are used in the calculations embedded in the worksheet.

**All Benchmark Participants must provide the information required in each section of this first box of the “Inputs” worksheet.**

The requirements of each section of this first box are addressed separately below.

**Figure 3: Structure of First Input Box**

Box 1

Inputs for ALL Benchmark Participants	
Compliance Year: <i>Year must be specified for calculations to work</i>	<input type="text"/> <i>Error - please specify year</i>
<b>1 (a) Benchmark Participant</b>	
Name of Benchmark Participant:	<input type="text"/>
ABN:	<input type="text"/>
<b>1 (b) Contact Information</b>	
<b>Chief Executive Officer</b>	
Name:	<input type="text"/>
<b>Main Greenhouse Compliance Contact</b>	
Name:	<input type="text"/>
<b>1 (c) Class of Benchmark Participant</b>	
Please state appropriate Class (1-5) <i>Class must be specified for calculations to work</i>	<input type="text"/> <i>Error - please specify Class (1-5)</i>
<b>2 (a) Equation 1 and Section 97BE: Greenhouse Shortfall Calculation</b>	
Shortfall carried forward from previous year (tCO <sub>2</sub> -e)	<input type="text"/>
Shortfall to be carried forward to next year (tCO <sub>2</sub> -e)	<input type="text"/>
<b>2 (b) Equation 2: Attributable Emissions Calculation</b>	
NGACs Surrendered (tCO <sub>2</sub> -e abated)	<input type="text"/>
LUACs Surrendered (tCO <sub>2</sub> -e abated)	<input type="text"/>

### Compliance Year

You are required to complete:

- **Compliance Year:** You must insert the Compliance Year (being a calendar year commencing 1 January) for which the Statement is being lodged. The Compliance Year must be entered as the year only, without any reference to the month or day. There will be an error message below the input box if a Compliance Year has not been entered. If a Compliance Year is not entered many of the calculations in the Statement will not function properly. The worksheet uses the key factors applicable to the stated Compliance Year in the calculations. If an incorrect Compliance Year has been entered, the calculations will not be correct.

### 1(a) Benchmark Participant

Section 1(a) contains details of the Benchmark Participant. You are required to provide:

- *Name of Benchmark Participant:* State the full legal name (not merely the business name) of the Benchmark Participant.
- *ABN:* The Australian Business Number (ABN) of the Participant must be provided (if the Participant has an ABN).

### 1(b) Contacts

The purpose of this section is to identify key individuals in the Benchmark Participant involved with the preparation of the Statement.

- *Chief Executive Officer:* State the name and contact details of the Chief Executive Officer of the Benchmark Participant. The Chief Executive Officer is one of the people who must sign the Statement in Part 3: Declaration.
- *Main Greenhouse Compliance Contact:* This must be a person within the Benchmark Participant responsible for management of compliance with the NSW Greenhouse Gas Reduction Scheme. This person is likely to be the author of the Statement. This person will be the primary contact person for the Tribunal.

### 1(c) Class of Benchmark Participant

This part of the Statement identifies the Class of the Benchmark Participant (as set out below). You are required to specify the relevant Class by a number from 1 to 5 (inclusive). Many of the calculations in the Statement rely on the Class to be specified. Unless the Class is specified in this section of the “Inputs” worksheet, many of the calculations in the Statement will not function properly.

The five separate Classes are defined in the Act (section 97BB) and the Rule as follows:

#### Class 1

a retail supplier;

#### Class 2

an electricity generator prescribed by the regulations or any other person prescribed by the regulations, being an electricity generator or other person that supplies electricity directly to a customer under an electricity supply arrangement and that is, in respect of that supply, exempted from the operation of section 98 or to which section 98 does not apply;

#### Class 3

a market customer (other than a retail supplier), but only in respect of an electricity load it has classified as a market load and that is electricity supplied for use in this State;

#### Class 4

a large customer who has made an election, that is in force, to be subject to a greenhouse gas benchmark;

### Class 5

a person who is engaged in carrying out State significant development and who has made an election, that is in force, to be subject to a greenhouse gas benchmark.

The Statement requires you to nominate the relevant Class of Benchmark Participant. The Class must be nominated in the Statement for the calculations to function properly. If you are uncertain of which Class you are in, please contact the Tribunal for further guidance.

## **2(a) Equation 1 and Section 97BE: Greenhouse Shortfall Calculation**

This section provides two key inputs for the Shortfall calculation to be performed in item 2(a) of the Form worksheets. Other key inputs to this shortfall calculation are derived in different sections of the Statement.

In every year of the Scheme other than 2007 and the final year of the Scheme for which targets have been set (2012), Benchmark Participants can carry forward up to 10% of their benchmarks rather than meeting it in that year. Benchmark Participants must clear this additional carried-forward amount in the following year. Refer to Section 97BE of the Act for further details on carrying forward. An elective Benchmark Participant (Class 4 or Class 5) whose election does not continue in the next compliance year cannot carry forward any shortfall. (See Regulation 73BF)

You are required to provide:

- *Shortfall carried forward from previous year.* The Greenhouse Shortfall (if any) that the Benchmark Participant nominated to be carried forward from the previous Compliance Year. The shortfall carried forward must be stated in tonnes of carbon dioxide equivalent (t CO<sub>2</sub>-e) and should be in whole numbers without any decimal places.
- *Shortfall to be carried forward to next year.* The Greenhouse Shortfall (if any) that the Benchmark Participant wishes to carry forward to the next Compliance Year. The shortfall carried forward must be stated in tonnes of carbon dioxide equivalent (t CO<sub>2</sub>-e) and should be in whole numbers without any decimal places. It must not be more than 10% of the Benchmark Participant's Greenhouse Gas Benchmark as calculated under item 2(c) of the Form worksheets.

## **2(b) Equation 2: Attributable Emissions Calculation**

This section provides key inputs to Equation 2 of the Rule, which is used to calculate the Participant's Attributable Emissions. The Rule defines Attributable Emissions as:

*“the number of tonnes of carbon dioxide equivalent of Greenhouse Gas emissions in that year for which a Benchmark Participant is responsible” (The Rule, Section 11.1).*

You are required to provide:

- *NGACs Surrendered (t CO<sub>2</sub>-e abated):* The total number of NSW Greenhouse Abatement Certificates registered to the Participant that have been surrendered under the Act, not including any surrendered due to an order under section 97EF of the Act. (Benchmark

Participants surrender Abatement Certificates on the NSW Greenhouse Gas Reduction Scheme Registry ([www.ggas-registry.nsw.gov.au](http://www.ggas-registry.nsw.gov.au)).

- *LUACs Surrendered (t CO<sub>2</sub>-e abated)*: The total number of Large User Abatement Certificates registered to the Participant that have been surrendered under the Act, not including any surrendered due to an order under section 97EF of the Act.

### 2.3 Inputs for Class 1 and Class 2 Benchmark Participants

The second and third boxes of the “Inputs” worksheet lay out the information that the Statement requires from Class 1 Benchmark Participants and Class 2 Benchmark Participants, including AEMO purchases, deemed generator purchases, deemed end-user purchases, emission intensity adjustment factors, distribution loss factors, Renewable Energy Certificates surrendered and generating system loss factors.

The information required from Class 2 Benchmark Participants is very similar to that required from Class 1 Benchmark Participants. Accordingly the information requirements of each section of both the second and the third boxes are addressed together below. Class 1 Benchmark Participants should provide this information in the second box of the “Inputs” worksheet headed “Inputs for Class 1 Benchmark Participants ONLY” while Class 2 Benchmark Participants should provide this information in the third box of the “Inputs” worksheet headed “Inputs for Class 2 Benchmark Participants ONLY”.

Cells coloured blue signify that an input is required. Only data input into the blue cells are used in the calculations embedded in the worksheet.

**Only Class 1 and Class 2 Benchmark Participants must provide the information required in these boxes of the “Inputs” worksheet.**

**Figure 4: Structure of Second and Third Input Boxes**

Box 2/Box3

**Inputs for Class 1 Benchmark Participants ONLY**

**2 (d) Total Electricity Purchased Calculation (Clause 7)**  
 AEMO Purchases (MWh)

**2 (e) Equation 5: Total Deemed Generator Purchases Calculation**  
*Generating System 1 (G1)*  
 G1: Name of Generating System   
 G1: Purchased Generation (MWh)   
 G1: Emissions Intensity Adjustment Factor   
 ← more generating system inputs (G4 - G20)

**2 (f) Equation 6: Total Deemed End-User Purchases Calculation**  
*1 Deemed End-User connection point 1 (P1)*  
 P1: Name of Deemed End-User   
 P1: Name of Connection Point   
 P1: Exempt Sales (MWh)   
 P1: Distribution Loss Factor   
 ← more deemed end-user inputs (P11 - P20 and P21 - P100)

**2 (g) Renewable Energy Certificates Counted**  
 RECs surrendered under Renewable Energy (Electricity) Act   
 Relevant acquisitions for use in NSW (MWh)

**RECS for which Deemed End-User has paid**  
*1 Deemed End-User 1*  
 Deemed End-User   
 RECs paid for

**2 (h) Equation 8: Total Electricity Sold Calculation**  
 AEMO Purchases (MWh)   
 Distribution Loss Factor (AEMO Purchases)

*Generating System 1 (G1)*  
 G1: Name of Generating System   
 G1: Purchased Generation (MWh)   
 G1: Loss Factor (Generating System Purchases)   
 ← more generating system inputs (G4 - G20)

## 2(d) Total Electricity Purchased Calculation

This section provides a key input for the calculation of Total Electricity Purchased (under clause 7 of the Rule), which is used to calculate the Participant's Attributable Emissions (under Equation 2 of the Rule).

You are required to provide:

- *AEMO Purchases*: The quantity of electricity purchased from AEMO (rounded to the nearest whole MWh) in the Compliance Year from transmission nodes which are listed in Schedule B to the Rule (or which are publicly reported by AEMO from time to time). AEMO will provide this figure to the Tribunal at the end of January each year and the Tribunal will then forward the "AEMO purchases" figure to the Participant.
- AEMO will use the best data it has available at that time on sales for the period 1 January to 31 December the previous year. The applicable transmission nodes will vary from time to time and the relevant transmission nodes will be those reported publicly by AEMO.

## 2(e) Equation 5: Total Deemed Generator Purchases Calculation

This section provides inputs that are used in Equation 5 of the Rule to calculate the Participant's Total Deemed Generator Purchases which is in turn a key input for the calculation of Total Electricity Purchased.

The Total Deemed Generator Purchases is the electricity purchased by the Benchmark Participant from all Category A Generating Systems or any other Embedded Generating Systems (including solar buy back and other similar systems) that are located in NSW that do not trade their electricity through the national electricity market operated by AEMO, calculated in accordance with Equation 5.

To ensure that the calculation of Total Deemed Generator Purchases is performed correctly in accordance with Equation 5, for each Generating System (G) you are required to provide:

- *Name of Generating System*: This should be a unique name that can be used by independent auditors to verify the information provided by the Benchmark Participant.
- *Purchased Generation (MWh)*: The quantity of electricity purchased from that Generating System by the Participant rounded to the nearest whole MWh (this should be taken as the "Sent Out Generation" for the generating system, as referred to in the National Electricity Code i.e. the amount of electricity supplied to the transmission or distribution network at the generating system's connection point to that network).
- *Emissions Intensity Adjustment Factor*: This is the value in Table 9 of Schedule A to the Rule appropriate to whether the Generating System is connected at a user site, to the distribution system, or to the transmission system.

In the case of very small scale solar buy back schemes, it is not necessary to list each solar buy back site individually. These sites can be aggregated into one entry as a single Generating System (G). For example: A Benchmark Participant had solar generation buy-back agreements with 2 schools and the sent-out energy from the first school was 20 MWh in 2003, and the sent-out energy from the

second school was 15MWh in 2003. The inputs would be: *Name of Generating System*: School Solar Generation No 1; and *Purchased Generation (MWh)*: 35MWh (sum of outputs). For *Emissions Intensity Adjustment Factor* when applying Table 9, choose connection “at user site”. Because there are multiple sites, where “Loss Factor (Generating Systems Purchases)” is requested for the generating system in section 2(h), the default Distribution Loss Factor from Table 7 should be chosen for the distribution system to which the sites are connected.

Space for three Generating Systems is initially displayed in this section of the “Inputs” worksheet. Space for up to twenty Generating Systems can be displayed by clicking on the plus sign on the left of the screen just below Generating System 3 (G3). This will show space for information to be provided for Generating System 4 (G4) to Generating System 20 (G20).

## 2(f) Equation 6: Total Deemed End-User Purchases Calculation

This section provides inputs that are used in Equation 6 of the Rule to calculate the Participant’s Total Deemed End-User Purchases. The Total Deemed End-User Purchases is the electricity sold (either directly or indirectly) by the Participant to Class 4 or Class 5 Benchmark Participants in the Compliance Year. The Total is the sum of the individual Deemed End-User Purchases, which are calculated from the Exempt Sales (in MWh) and the Distribution Loss Factor appropriate for each Class 4 or Class 5 benchmark Participant load. As Class 4 and 5 Benchmark Participants may have multiple sites included in the election, each with a different Distribution Loss Factor, space has been provided to list each of the connection points for these sites and their associated Distribution Loss Factors separately.

To ensure that the calculation of Total Deemed End-User Purchases is performed correctly, for each Class 4 or Class 5 Benchmark Participant Connection Point (“End-User Connection Point (P)”) you are required to provide:

- *Name of Deemed End-User*: This should be the company name of the Class 4 or 5 Benchmark Participant. Independent auditors will use this to verify the information provided by the Benchmark Participant. Abbreviated names can be used such as ‘CHH’ for Carter Holt Harvey Wood Products Australia, ‘N Skog’ for Norske Skog Paper Mills (Australia) and VIH for Visy Industries Holdings.
- *Name of Connection Point*: This should identify the connection point so that an independent auditor is able to verify the information provided. It should include the National Metering Identifier (NMI) and the connection point’s site name.
- *Exempt Sales (MWh)*: The total electricity sold (either directly or indirectly) at that connection point to the Benchmark Participant acting in a Class 4 or 5 capacity (End-User (P)) by the Benchmark Participant acting in a Class 1 or Class 2 capacity in the Compliance Year.
- *Distribution Loss Factor*: This value is either:
  - The distribution loss factor specific to the load being managed by the Benchmark Participant (acting in a Class 4 or 5 capacity) at the deemed end user connection point, or
  - The appropriate distribution loss factor in Table 7 of Schedule A to the Rule for the Benchmark Participant acting in a Class 4 or 5 capacity.

Space for ten End-User connection points is initially displayed in this section of the “Inputs” worksheet. Space for End User connection points 11 to 20 (P11 to P20) can be displayed by clicking on the plus sign just below End-User connection point 10 (P10). This process can be repeated to have up to 100 entries by clicking on the plus sign on the left of the screen just below End-User connection point 20 (P20).

**Note: Where a Benchmark Participant uses an End-User’s Distribution Loss Factor that is not specified in Table 7 of Schedule A to the Rule, the Class 1 or Class 2 Benchmark Participant must supply information supporting the use of that Distribution Loss Factor. This information must be examined as part of the independent audit of the inputs to the Statement and attached to the Statement when submitting to the Tribunal.**

## 2(g) Renewable Energy Certificates Counted

This section provides inputs that are used to calculate how many Renewable Energy Certificates (RECs) the Class 1 or Class 2 Participant counts towards the greenhouse gas benchmark or to abate a shortfall. RECs counted are an input in the Equation for Attributable Emissions (Equation 2).

The Regulations (Regulation 73DA and 73DB) specify which RECs may be counted towards the greenhouse gas benchmark and the limit on the number of RECs that may be counted.

You are required to provide:

- *RECs surrendered under the Renewable Energy (Electricity) Act:* This is the number of Renewable Energy Certificates which the Participant has surrendered or offered to surrender under the Commonwealth *Renewable Energy (Electricity) Act 2000* for the compliance year. This figure must only include those RECs where the costs of or associated with the certificate have not been paid, passed on to or otherwise reimbursed to the Participant by an elective (Class 4 or 5) Benchmark Participant.
- *Relevant acquisitions for use in NSW (MWh):* This is the ‘relevant acquisitions’ of electricity purchased by the Participant for use in NSW in the Compliance year. ‘Relevant acquisitions’ is in MWh and has the same meaning as in the Commonwealth *Renewable Energy (Electricity) Act 2000*. Note: ‘Relevant acquisitions’ does not have the same meaning as ‘AEMO purchases’.
- *Name of Deemed End user:* The name of each Deemed End User (i.e. Class 4 or 5 Benchmark Participant) who has paid for (or had passed on to it) the costs of any RECs surrendered by the Participant should be inserted in one of the spaces provided and should be uniquely identified so that an independent auditor can verify the information provided by the Participant.
- *RECs paid for:* This is the number of Renewable Energy Certificates for which that deemed end user has paid in the Compliance year. All RECs where the costs of, or associated with, the certificate have been paid, reimbursed or otherwise passed on to the deemed end user must be included.

Class 1 and 2 Benchmark Participants should provide written confirmation to each of the Class 4 or Class 5 Benchmark Participants of the number of RECS for which that Class 4 or 5 Benchmark Participant has paid and which have been surrendered or offered for surrender under the

Commonwealth *Renewable Energy (Electricity) Act 2000* for the compliance year. Class 4 and Class 5 Benchmark Participants require this statement for their Annual Greenhouse Gas Benchmark Statement.

Space is provided for five deemed end users (Class 4 or 5 Benchmark Participants).

## 2(h) Equation 8: Total Electricity Sold Calculation

This section provides inputs that are used in Equation 8 of the Rule to calculate the Total Electricity Sold by the Class 1 or Class 2 Benchmark Participant. The Total Electricity Sold is not to include electricity supplied by Generating Systems that are not connected to the NSW Electricity Network.

You are required to provide:

- *Distribution Loss Factor (AEMO Purchases)*: For Class 1 Benchmark Participants, this is the Distribution Loss Factor for that year calculated by the Participant using AEMO or other data approved by the Tribunal, or if no such value is advised, the appropriate Distribution Loss Factor in Table 6 of Schedule A to the rule. The Distribution Loss Factor is set at 1.000 for Class 2 Benchmark Participants.
- *Loss Factor (Generating System Purchases)*: For each of the Generating Systems (G) named in section 2(e) of the “Inputs” worksheet, one of the following Loss Factors must be inserted (depending on the location at which the Generating System is connected, as indicated below):
  - 1.0 for a Category A Generating System or Embedded Generating System connected at an end-user’s site, or
  - the Distribution Loss Factor in Table 7 of Schedule A to the Rule applying at that location for a Generating System connected at the distribution system level but not connected at the end user’s site, or
  - the Transmission Loss Factor in Table 8 multiplied by the Distribution Loss Factor in Table 7 of Schedule A to the Rule for Generating Systems connected to the transmission system.

Space for three Generating Systems is initially displayed in this section of the “Inputs” worksheet. Space for up to twenty Generating Systems can be displayed by clicking on the plus sign on the left of the screen just below Generating System 3 (G3). This will show space for information to be provided for Generating System 4 (G4) to Generating System 20 (G20).

**Note: Where a Class 1 Benchmark Participant uses a Distribution Loss Factor that is not specified in Table 6 of Schedule A to the Rule, the Class 1 Benchmark Participant must supply information supporting the use of that Distribution Loss Factor. This information must be examined as part of the independent audit of the inputs to the Statement and attached to the Statement when submitting to the Tribunal.**

## 2.4 Inputs for Class 3 Benchmark Participants

The fourth box of the “Inputs” worksheet lays out the information that the Statement requires from Class 3 Benchmark Participants including AEMO purchases, deemed generator purchases, Renewable Energy Certificates surrendered and a distribution loss factor.

Cells coloured blue signify that an input is required. Only data input into the blue cells are used in the calculations embedded in the worksheet.

**Only Class 3 Benchmark Participants must provide the information required in this fourth box of the “Inputs” worksheet.**

The requirements of each section of this fourth box are addressed separately below.

**Figure 5: Structure of Fourth Input Box**

Box 4

**Inputs for Class 3 Benchmark Participants ONLY**

**2 (d) Total Electricity Purchased Calculation (Equation 7)**  
NEMMCO Purchases (MWh)

**2 (e) Equation 5: Total Deemed Generator Purchases Calculation**  
*Deemed Generator 1 (G1)*  
G1: Name of Generating System   
G1: Purchased Generation (MWh)   
G1: Emissions Intensity Adjustment Factor

? more deemed generator inputs (G4 - G20)

**2 (g) Renewable Energy Certificates Counted**  
RECs surrendered under Renewable Energy (Electricity) Act  
Relevant acquisitions for use in NSW (MWh)

**2 (h) Equation 8: Total Electricity Sold Calculation**  
*For Benchmark Participant connected to Distribution Network*  
Distribution Loss Factor

### 2(d) Total Electricity Purchased Calculation

This section provides a key input for the calculation of Total Electricity Purchased (under clause 7 of the Rule), which is used to calculate the Participant’s Attributable Emissions (under Equation 2 of the Rule).

You are required to provide:

- **AEMO Purchases:** The quantity of electricity purchased from AEMO (rounded to the nearest whole MWh) in the Compliance Year from transmission nodes which are listed in Schedule B to the Rule (or which are publicly reported by AEMO from time to time). AEMO will provide this figure to the Tribunal at the end of January each year and the Tribunal will then forward the “AEMO purchases” figure to the Participant.

AEMO will use the best data it has available at that time on sales for the period 1 January to 31 December the previous year. The applicable transmission nodes will vary from time to time and the relevant transmission nodes will be those reported publicly by AEMO.

## 2(e) Equation 5: Total Deemed Generator Purchases Calculation

This section provides inputs that are used in Equation 5 of the Rule to calculate the Participant's Total Deemed Generator Purchases, which is in turn a key input for the calculation of Total Electricity Purchased. The Total Deemed Generator Purchases is the electricity purchased by the Benchmark Participant from all Category A Generating Systems or any other Embedded Generating Systems (including solar buy back and other similar systems) that are located in NSW that do not trade their electricity through the national electricity market operated by AEMO, calculated in accordance with Equation 5.

To ensure that the calculation of Total Deemed Generator Purchases is performed correctly in accordance with Equation 5, for each Generating System (G) you are required to provide:

- *Name of Generating System*: This should be a unique name that can be used by independent auditors to verify the information provided by the Benchmark Participant.
- *Purchased Generation (MWh)*: The quantity of electricity purchased from that Generating System by the Participant rounded to the nearest whole MWh (this should be taken as the "Sent Out Generation" for the generating system, as referred to in the National Electricity Code i.e. the amount of electricity supplied to the transmission or distribution network at the generating system's connection point to that network).
- *Emissions Intensity Adjustment Factor*: This is the value in Table 9 of Schedule A to the Rule appropriate to whether the Generating System is connected at a user site, to the distribution system, or to the transmission system.

Space for three Generating Systems is initially displayed in this section of the "Inputs" worksheet. Space for up to twenty Generating Systems can be displayed by clicking on the plus sign on the left of the screen just below Generating System 3 (G3). This will show space for information to be provided for Generating System 4 (G4) to Generating System 20 (G20).

## 2(g) Renewable Energy Certificates Counted

This section provides inputs that are used to calculate how many Renewable Energy Certificates (RECs) the Class 3 Benchmark Participant counts towards the greenhouse gas benchmark or to abate a shortfall. RECs counted are an input in the Equation for Attributable Emissions (Equation 2).

The Regulations (Regulation 73DA and 73DB) specify which RECs may be counted towards the greenhouse gas benchmark and the limit on the number of RECs that may be counted.

You are required to provide:

- *RECs surrendered under the Renewable Energy (Electricity) Act*: This is the number of Renewable Energy Certificates which the Participant has surrendered or offered to surrender under the Commonwealth *Renewable Energy (Electricity) Act 2000* for the compliance year. This figure must only include those RECs where the costs of or associated with the certificate have not been paid, passed on to or otherwise reimbursed to the Participant by an elective (Class 4 or 5) Benchmark Participant.

- *Relevant acquisitions for use in NSW (MWh):* This is the 'relevant acquisitions' of electricity purchased by the Participant for use in NSW in the Compliance year. 'Relevant acquisitions' is in MWh and has the same meaning as in the Commonwealth *Renewable Energy (Electricity) Act 2000*.

## 2(h) Total Electricity Sold Calculation

This section provides inputs that are used in clause 8.4 of the Rule to determine the Total Electricity Sold by the Class 3 Benchmark Participant. **This section must only be completed if the Class 3 Benchmark Participant is connected to the distribution network.** For Class 3 Benchmark Participants connected to the transmission network no information is required.

You are required to provide:

- *Distribution Loss Factor:* For Class 3 Benchmark Participants connected to the distribution network, this is the Distribution Loss Factor for that year advised to the Participant by AEMO or, if no such value is advised, the appropriate Distribution Loss Factor in Table 7 of Schedule A of the Rule.

**Note: Where a Class 3 Benchmark Participant uses a Distribution Loss Factor that is not specified in Table 7 of Schedule A to the Rule, the Participant must supply information supporting the use of that Distribution Loss Factor. This information must be examined as part of the independent audit of the inputs to the Statement and attached to the Statement when submitting to the Tribunal.**

## 2.5 Inputs for Class 4 and Class 5 Benchmark Participants

The fifth and sixth boxes of the “Inputs” worksheet lay out the information that the Statement requires from Class 4 Benchmark Participants and Class 5 Benchmark Participants, including AEMO purchases, distribution loss factors and Renewable Energy Certificates for which the Participant has paid.

The information required from Class 4 Benchmark Participants is identical to that required from Class 5 Benchmark Participants. Accordingly the information requirements of each section of both the fifth and sixth boxes are addressed together below. Class 4 Benchmark Participants should provide this information in the fifth box of the “Inputs” worksheet headed “Inputs for Class 4 Benchmark Participants ONLY” while Class 5 Benchmark Participants should provide this information in the sixth box of the “Inputs” worksheet headed “Inputs for Class 5 Benchmark Participants ONLY”.

Cells coloured blue signify that an input is required. Only data input into the blue cells are used in the calculations embedded in the worksheet.

**Only Class 4 and Class 5 Benchmark Participants must provide the information required in these sections of the “Inputs” worksheet.**

**Figure 6: Structure of Fifth and Sixth Input Boxes**

Box 5/ Box 6	
<b>Inputs for Class 4/Class 5 Benchmark Participants ONLY</b>	
<b>2 (d) Total Electricity Purchased Calculation (Equation 7)</b>	
1 Connection point 1 (P1)	
P1: Name of Connection Point	<input type="text"/>
P1: Name of Electricity Supplier	<input type="text"/>
P1: Exempt Sales (MWh)	<input type="text"/>
P1: Distribution Loss Factor	<input type="text"/>
? more connection points (P4 - P10 and P11 - P75)	
<b>2 (g) Renewable Energy Certificates Counted</b>	
1 Name of supplier	
RECs paid for	<input type="text"/>

### 2(d) Total Electricity Purchased Calculation (Equation 7)

This section provides a key input for the calculation of Total Electricity Purchased (under clause 7 of the Rule), which is used to calculate the Participant’s Attributable Emissions (under Equation 2 of the Rule).

You are required to provide for each connection point which is included in the election:

- **Connection Point:** This should identify the connection point so that an independent auditor is able to verify the information provided. It should include the National Metering Identifier (NMI) and the connection point’s site name.
- **Electricity supplier:** This should identify the company that supplies electricity to that connection point. If the supplier has changed through the year, identify both suppliers. Abbreviations can

be used if there is insufficient space. This information helps the Tribunal reconcile information about electricity purchases with that provided by the electricity suppliers.

- *Exempt Sales (MWh)*: The total electricity sold (either directly or indirectly) to the Participant acting in a Class 4 or 5 capacity at that connection point by Benchmark Participant(s) acting in a Class 1 or Class 2 capacity in the Compliance Year.
- *Distribution Loss Factor*. This value is either:
  - The distribution loss factor specific to the connection point, or
  - The appropriate distribution loss factor in Table 7 of Schedule A to the Rule for the Benchmark Participant acting in a Class 4 or 5 capacity.

Space for three Connection Points is initially displayed in this section of the “Inputs” worksheet. Space for up to ten Connection Points can be displayed by clicking on the plus sign on the left of the screen just below P3. This will show space for information to be provided for Connection Point 4 (P4) to Connection Point 10 (P10). Space for up to seventy five Connection Points can be displayed by clicking on the plus sign on the left of the screen just below P10.

**Note: Where a Class 4 or Class 5 Benchmark Participant uses a Distribution Loss Factor that is not specified in Table 7 of Schedule A to the Rule, the Class 4 or Class 5 Benchmark Participant must supply information supporting the use of that Distribution Loss Factor. This may include information on electricity purchases and distribution loss factors for specific connection points that the Class 4 or Class 5 Benchmark Participant is including in its total electricity purchased. This information must be examined as part of the independent audit of the inputs to the Statement and attached to the Statement when submitting to the Tribunal.**

## 2(g) Renewable Energy Certificates Counted

This section provides inputs that are used to calculate how many Renewable Energy Certificates (RECs) the Class 4 or Class 5 Benchmark Participant counts towards the greenhouse gas benchmark or to abate a shortfall. RECs counted are an input in the Equation for Attributable Emissions (Equation 2).

The Regulations (Regulation 73DA and 73DB) specify which RECs may be counted towards the greenhouse gas benchmark and the limit on the number of RECs that may be counted.

You are required to provide for each electricity supplier:

- *Supplier*: This is the name of the Class 1, 2 or 3 Benchmark Participant from which the Participant has purchased electricity at the Connection Points included in the Participant's election in the compliance year.
- *RECs paid for*: This is the number of RECs for which the Participant has paid the Class 1, 2 or 3 Benchmark Participant in the Compliance year and which have been surrendered for that year by the Class 1,2 or 3 Benchmark Participant under the Commonwealth *Renewable Energy (Electricity) Act 2000*. “Paid” in this context means all RECs where the costs of, or associated with, the certificate have been paid or reimbursed by the Participant to another Benchmark

Participant, or have been otherwise passed on to the Participant by another Benchmark Participant.

The Participant must attach a letter from the electricity supplier(s) confirming the number of RECs for which the Participant has paid which have been surrendered or offered for surrender by the electricity supplier(s) under the Commonwealth *Renewable Energy (Electricity) Act 2000* for the compliance year.

Space for four Suppliers is provided.

## 2.6 Printing the Form

Information provided by the Benchmark Participant in the “Inputs” worksheet of the Statement is automatically pulled into the “Form” worksheets where calculations are performed and the information is laid out for printing of the document that must be submitted to the Tribunal.

Below is a brief description of each of the “Form” worksheets.

All of the “Form” worksheets are locked and Benchmark Participants cannot make changes to the cells in these worksheets.

### “Form – Cover Page” worksheet

When printed this worksheet is the Cover Page for the Annual Greenhouse Gas Benchmark Statement that must be submitted to the Tribunal. The worksheet contains the name of the Benchmark Participant and the Compliance Year.

### “Form – 1(a), 1(b)” worksheet

This worksheet lays out the Benchmark Participant information and the details of the nominated Contacts. The worksheet must be printed and inserted as page 2 of the Annual Greenhouse Gas Benchmark Statement.

### “Form – 1(c)” worksheet

This worksheet displays the Class as specified by the Benchmark Participant. The worksheet must be printed and inserted as page 3 of the Annual Greenhouse Gas Benchmark Statement.

### “Form – 2(a), 2(b)” worksheet

This part of the Statement calculates the Benchmark Participant’s Greenhouse Shortfall in accordance with the Rule. Greenhouse Shortfall is defined under the Act as:

*“the amount, in tonnes of carbon dioxide equivalent, by which a benchmark participant fails to comply with the participant’s greenhouse gas benchmark for a year” (Section 97AB of the Act).*

A Participant has complied with its Greenhouse Gas Benchmark for a Compliance Year if its Greenhouse Shortfall is zero. If a Participant’s Greenhouse Shortfall is greater than zero, then it may be subject to a penalty as required by the penalty and shortfall allowance provisions under the Act (sections 97BE and 97CA of the Act). See section 1.4 of this Guide for more information on assessment of liability for and payment of penalty.

This worksheet lays out the figures used in Equation 1 of the Rule to calculate the Greenhouse Shortfall as well as the figures used in Equation 2 of the Rule to calculate Attributable Emissions. In 2(a) the total Greenhouse Shortfall is highlighted and the inputs to the equation are displayed. In

accordance with Equation 1 of the Rule, the Greenhouse Shortfall is equal to zero where the Greenhouse Shortfall is calculated as  $\leq$  zero. The Spreadsheet gives a message “Negative Greenhouse Shortfall” where the Greenhouse Shortfall has been calculated as less than zero and where more than the minimum required number of certificates have been surrendered.

A shaded box on the upper right hand side of the page displays, for information only, the total number of abatement certificates required for a zero shortfall. This figure is made up of the abatement certificates required to meet the current compliance year’s obligation plus abatement certificates required to offset any shortfall carried forward from a previous year. It assumes no shortfall is carried forward to the next year and takes into account any RECs that have been counted. The information in the shaded box is included to help Benchmark Participants using the spreadsheet as a planning tool, to estimate the number of abatement certificates to surrender.

In 2(b) the total Attributable Emissions is highlighted and the inputs to the equation are displayed.

The worksheet must be printed and inserted as page 4 of the Annual Greenhouse Gas Benchmark Statement.

#### **“Form – 2(c), 2(d)” worksheet**

This worksheet lays out the figures used in Equation 3 of the Rule to calculate the Benchmark Participant’s Greenhouse Gas Benchmark as well as the figures used to calculate Total Electricity Purchased. In 2(c) the Greenhouse Gas Benchmark is highlighted and the inputs to the equation are displayed. In 2(d) the Total Electricity Purchased is highlighted and the inputs to the equation are displayed.

The worksheet must be printed and inserted as pages 5 - 6 of the Annual Greenhouse Gas Benchmark Statement.

#### **“Form – 2(e) 2(f)” worksheet**

This worksheet lays out the figures used in Equation 5 of the Rule to calculate the Total Deemed Generator Purchases. In 2(e) the Total Deemed Generator Purchases is highlighted and the inputs to the equation are displayed, including details of up to twenty Generating Systems (G). The worksheet must be printed and inserted as page 7 of the Annual Greenhouse Gas Benchmark Statement.

#### **“Form –2(f)” worksheet**

This worksheet lays out the figures used in Equation 6 of the Rule to calculate the Total Deemed End-User Purchases. In 2(f) the Total Deemed End-User Purchases is highlighted and the inputs to the equation are displayed, including details of up to 100 Deemed End-User Connection Points. The worksheet must be printed and inserted as pages 8 – 9 of the Annual Greenhouse Gas Benchmark Statement.

**“Form – 2(g)” worksheet**

This worksheet lays out the figures used to calculate the Benchmark Participant’s RECs counted. The RECS Counted is highlighted and the inputs to the calculation are displayed.

The worksheet must be printed and inserted as pages 10 to 11 of the Annual Greenhouse Gas Benchmark Statement.

**“Form – 2(h)” worksheet**

This worksheet lays out the figures used to calculate the Benchmark Participant’s Total Electricity Sold. The Total Electricity Sold is highlighted and the inputs to the equation are displayed, including the details of up to twenty Generating Systems.

The worksheet must be printed and inserted as pages 12 - 13 of the Annual Greenhouse Gas Benchmark Statement.

**“Form – 2(i)” worksheet**

This worksheet lays out the key factors that have been used in the calculations. These key factors are provided by the Tribunal and are included to ensure that the printed document contains all relevant assumptions.

The worksheet must be printed and inserted as page 14 of the Annual Greenhouse Gas Benchmark Statement.

**“Form – Declaration” worksheet**

This worksheet contains the Declaration and a space for signatures. The Participant declares that:

- *all information provided by the Participant is correct and not misleading or deceptive by inclusion or omission,*
- *where estimates or indicative values have been provided by the Participant, that these are based on the best available data and methods, and*
- *the Participant is aware that there are penalties for providing false, misleading or deceptive information in the Statement.*

The worksheet must be printed and inserted as page 15 of the Annual Greenhouse Gas Benchmark Statement.

The Declaration must be signed by the Chief Executive Officer (or equivalent) *and* Chairman of the Board (or a duly authorised Board member) of the Benchmark Participant.

### 3 Benchmark Participants with zero electricity purchases

#### 3.1 Compliance process for Benchmark Participants with zero electricity purchases

Class 1, 2 and 3 Benchmark Participants that have made no electricity purchases in NSW during the compliance year can lodge a declaration in the form of the “Annual Greenhouse Gas Benchmark Statement – Form 2” , with the Tribunal instead of completing the Excel spreadsheet which is the companion to this guide. The “Annual Greenhouse Gas Benchmark Statement – Form 2” must be lodged with the Tribunal by 18 March of the year following the Compliance Year or any later date permitted by the Tribunal.

Benchmark Participants with zero electricity purchases in NSW who are completing the Form 2 declaration do not need to have that declaration audited.

The “Annual Greenhouse Gas Benchmark Statement - Form 2” must be signed by the Benchmark Participant’s Chief Executive Officer.

#### 3.2 Annual Greenhouse Gas Benchmark Statement – Form 2

Benchmark Participants with zero electricity purchases can copy and complete the Annual Greenhouse Gas Benchmark Statement - Form 2 below or request a copy from the Tribunal.

## NSW Greenhouse Gas Reduction Scheme

### Annual Greenhouse Gas Benchmark Statement – Form 2

This form may only be used by the following benchmark participants whose Total Electricity Purchased is zero for the compliance year of this statement:

- (a) a class 1 benchmark participant (that is, a retail supplier);
- (b) a class 2 benchmark participant (that is, an electricity generator); or
- (c) a class 3 benchmark participant (that is, a market customer).

**Note:** “Total Electricity Purchased” has the meaning given to the expression in clause 7 Greenhouse Gas Benchmark Rule (Compliance) No. 1 of 2003. The expressions “retail supplier”, “electricity generator” and “market customer” are abbreviated descriptions for the benchmark participants more fully described in s97BB(1)(a) – (c) respectively, *Electricity Supply Act 1995*.

**Compliance year** .....*[Insert the calendar year immediately preceding the year that this statement is given]*

#### Benchmark Participant information

Company .....

ABN .....

Postal Address .....

Contact Person .....

Contact phone number .....

Contact email .....

#### Declaration - Benchmark Statement information

I make the following declaration for and on behalf of the company identified above:

- 1) the Total Electricity Purchased by the company in the compliance year is zero;
- 2) the company assesses its greenhouse gas benchmark for the compliance year to be zero and, as a consequence:
  - a) assesses that it has no liability for a greenhouse penalty in respect of the compliance year;
  - b) no abatement certificates are sought to be surrendered or renewable energy certificates sought to be counted for the compliance year; and
- 3) the company has not carried forward a greenhouse shortfall from the previous compliance year and has no liability for a greenhouse penalty payable in respect of a shortfall carried forward.

*Note: This declaration must be signed and completed by the Chief Executive Officer (or equivalent) of the company. The Tribunal does not require this declaration to be audited.*

Signed .....

Name .....

Position .....

Date .....

## Contact Details

Please direct any enquiries regarding the Statement to Phillip Eyre or Liz Mayfield at the Independent Pricing & Regulatory Tribunal (IPART).

Phone: (02) 9290 8452

Fax: (02) 9290 2061

Street Address: Level 8, 1 Market Street SYDNEY NSW 2000

Postal Address: PO Box Q290 QVB POST OFFICE NSW 1230

Email Address: [ggas@ipart.nsw.gov.au](mailto:ggas@ipart.nsw.gov.au)