

8 June 2010

Mr. John Pierce
Chairman
Australian Energy Market Commission
PO Box A2449
Sydney South NSW 1235

50 Pirie Street
Adelaide SA 5000
Postal Address:
GPO Box 2010
Adelaide SA 5001
T 08 8201 7300
F 08 8410 8545

Dear John,

Publication of a Carbon Dioxide Equivalent Intensity Index for the National Electricity Market: ERC0098

At a general level, AEMO is supportive of the Draft Rule published by the AEMC/ The following comments and suggestions are submitted in relation to the detailed drafting of the Rule.

1. Clause (a) requires AEMO to develop the *carbon dioxide equivalent intensity index procedures* in accordance with paragraphs (b) to (e). We suggest that the procedures need to be developed with regard to the paragraphs (b) and (c) only, because paragraphs (d) and (e) do not appear to be factors relevant to the procedures.
2. Paragraph (c)(4) makes reference to the *Australian Government's National Greenhouse and Energy Reporting System*. We acknowledge that the AEMC has referred to this reporting system to ensure a level of consistency with Commonwealth Government processes. However, referring to the national process in this specific way in the Rules runs the risk that the identity or relevance of the national Reporting System will change at some time in the future, making this reference difficult to comply with. We suggest making the reference as adaptable to future change as is practical, perhaps by adding, "or its successor if relevant" to assist in this regard.
3. We suggest it would improve the clarity and logical flow of this Rule if the obligation to publish the index (currently paragraph (f), and the option to publish supplementary indices to represent a volume weighted average of carbon dioxide equivalent greenhouse emissions (currently paragraphs (c)(1) and (c)(2) be substantive clauses that immediately follow the obligation to publish the index.

If you would like to discuss any aspect of this submission, please contact Murray Chapman, Senior Manager Market Policy on (02) 9239 9106.

Yours sincerely



David Swift
Executive General Manager Corporate Development