



## **Draft National Electricity Amendment (Publication of a Carbon Dioxide Equivalent (CO<sub>2</sub>- e) Intensity Index for the National Electricity Market) Rule 2010**

under the National Electricity Law as applied by:

- (a) the National Electricity (South Australia) Act 1996;
- (b) the Electricity (National Scheme) Act 1997 of the Australian Capital Territory;
- (c) the Electricity - National Scheme (Queensland) Act 1997 of Queensland;
- (d) the Electricity - National Scheme (Tasmania) Act 1999 of Tasmania;
- (e) the National Electricity (New South Wales) Act 1997 of New South Wales;
- (f) the National Electricity (Victoria) Act 2005 of Victoria; and
- (g) the Australian Energy Market Act 2004 of the Commonwealth.

The Australian Energy Market Commission makes the following Rule under the National Electricity Law.

John Tamblyn  
Chairman  
Australian Energy Market Commission

## **Draft National Electricity Amendment (Publication of a Carbon Dioxide Equivalent (CO<sub>2</sub>- e) Intensity Index for the National Electricity Market) Rule 2010**

### **1 Title of Rule**

This Rule is the Draft National Electricity Amendment (Publication of a Carbon Dioxide Equivalent (CO<sub>2</sub>- e) Intensity Index for the National Electricity Market) Rule 2010.

### **2 Commencement**

This Rule commences operation on [COMMENCEMENT\_DATE].

### **3 Amendment of the National Electricity Rules**

The National Electricity Rules are amended as set out in Schedule 1.

## Schedule 1            Amendments of the National Electricity Rules

(Clause 3)

### [1] Clause 3.13.14    Carbon Dioxide Equivalent Intensity Index

After clause 3.13.13, insert:

#### 3.13.14    Carbon Dioxide Equivalent Intensity Index

##### Carbon dioxide equivalent intensity index procedures

- (a) *AEMO* must develop, review and amend *carbon dioxide equivalent intensity index procedures* in consultation with *Registered Participants* and such other persons as *AEMO* thinks appropriate, in accordance with the *Rules consultation procedures* and paragraphs (b) to (e).
- (b) The *carbon dioxide equivalent intensity index procedures* must include:
  - (1) the methodology for calculating the *carbon dioxide equivalent intensity index* and any *supplementary carbon dioxide equivalent intensity indicators*;
  - (2) where relevant, any assumptions used to calculate the *carbon dioxide equivalent intensity index* and any *supplementary carbon dioxide equivalent intensity indicators*;
  - (3) the form of the *emission factors* for the *scheduled generating units* and *market generating units* included in the calculation of the *carbon dioxide equivalent intensity index* and any *supplementary carbon dioxide equivalent intensity indicators*;
  - (4) the methodology for estimating an *emission factor* where the data on the *emission factor* for a *scheduled generating unit* or *market generating unit* included in the calculation of the *carbon dioxide equivalent intensity index* and any *supplementary carbon dioxide equivalent intensity indicators* is not publicly available;
  - (5) the form of the energy measurements (in MWh) for the *scheduled generating units* and *market generating units* included in the calculation of the *carbon dioxide equivalent intensity index* and any *supplementary carbon dioxide equivalent intensity indicators*;

- (6) the time interval for updating and publishing the *carbon dioxide equivalent intensity index* and any *supplementary carbon dioxide equivalent intensity indicators*; and
  - (7) the time interval for conducting a review of the *emission factors* under paragraph (j).
- (c) In developing the *carbon dioxide equivalent intensity index procedures*, AEMO must:
- (1) ensure that the methodology used to calculate the *carbon dioxide equivalent intensity index* under paragraph (b)(1) represents the volume weighted average of the carbon dioxide equivalent gas emissions from all the *scheduled generating units* and *market generating units* included in the calculation of the *carbon dioxide equivalent intensity index* for the time interval described in paragraph (b)(6);
  - (2) ensure that the methodology used to calculate any *supplementary carbon dioxide equivalent intensity indicators* under paragraph (b)(1) represents the volume weighted average of the carbon dioxide equivalent greenhouse gas emissions from all the *scheduled generating units* and *market generating units* included in the calculation of the *supplementary carbon dioxide equivalent intensity indicators* for the time interval described in paragraph (b)(6);
  - (3) use reasonable endeavours to obtain the data used to calculate the *carbon dioxide equivalent intensity index* and any *supplementary carbon dioxide equivalent intensity indicators* from reliable sources; and
  - (4) have regard to the guidelines which outline the calculation methods for determining *emission factors* under the *Australian Government's National Greenhouse and Energy Reporting System* when determining the methodology for estimating the *emission factors* under paragraph (b)(4).
- (d) AEMO must publish the first *carbon dioxide equivalent intensity index procedures* by [12 months after the commencement date of this amending rule] and there must be *carbon dioxide equivalent intensity index procedures* available at all times after this date.
- (e) AEMO must conduct a review of the *carbon dioxide equivalent intensity index procedures* at least once every 3 years after the first *carbon dioxide equivalent intensity index procedures* are published.

**Carbon dioxide equivalent intensity index and supplementary carbon dioxide equivalent intensity indicators**

- (f) *AEMO* must calculate, update and publish a *carbon dioxide equivalent intensity index* for the *National Electricity Market* in accordance with the *carbon dioxide equivalent intensity index procedures* and this clause 3.13.14.
- (g) The first *carbon dioxide equivalent intensity index* must be published as soon as practicable after the first *carbon dioxide equivalent intensity index procedures* are published under paragraph (d).
- (h) If *AEMO* elects to publish any *supplementary carbon dioxide equivalent intensity indicators*, *AEMO* must calculate, update and publish the *supplementary carbon dioxide equivalent intensity indicators* in accordance with the *carbon dioxide equivalent intensity index procedures*.
- (i) At the same time as it publishes the first *carbon dioxide equivalent intensity index* under paragraph (g), *AEMO* must publish a table which lists:
  - (1) all the *scheduled generating units* and *market generating units* included in the calculation of the *carbon dioxide equivalent intensity index*; and
  - (2) for each *scheduled generating unit* or *market generating unit* referred to in subparagraph (1), the *emission factor* and the source of that information.
- (j) *AEMO* must conduct a review of the *emission factors* for the *scheduled generating units* and *market generating units* included in the calculation of the *carbon dioxide equivalent intensity index* and any *supplementary carbon dioxide equivalent intensity indicators* in accordance with the *carbon dioxide equivalent intensity index procedures* to determine whether the *emission factors* have changed since the last update of the *emission factors*.
- (k) As soon as practicable after a review under paragraph (j), *AEMO* must update the *carbon dioxide equivalent intensity index* and where appropriate, any *supplementary carbon dioxide equivalent intensity indicators* with any new *emission factors*, if the *emission factor* for any *scheduled generating units* or *market generating units* included in the calculation of the *carbon dioxide equivalent intensity index* and any *supplementary carbon dioxide equivalent intensity indicators* has changed since the last update of the *emission factors*.
- (l) In addition to the obligation under paragraph (k), *AEMO* must update the *carbon dioxide equivalent intensity index* and where appropriate, any *supplementary carbon dioxide equivalent intensity indicators* with any new *emission factors* as soon as practicable if:

- (1) *AEMO* is advised that the *emission factor* for any *scheduled generating units* or *market generating units* included in the calculation of the *carbon dioxide equivalent intensity index* and any *supplementary carbon dioxide equivalent intensity indicators* has *changed* since the last update of the *emission factors*; and
- (2) the data on the *emission factor* is publicly available and, in *AEMO's* opinion, is from a reliable source.

(m) If:

- (1) a generating *unit* is classified as a *scheduled generating unit* or *market generating unit* under Chapter 2 after the first *carbon dioxide equivalent intensity index* is published under paragraph (g); and
- (2) data for that *generating unit* is not included in the calculation of the *carbon dioxide equivalent intensity index*,

then *AEMO* must as soon as practicable update the *carbon dioxide equivalent intensity index* to include data for that *generating unit*.

- (n) For the avoidance of doubt, in updating the *carbon dioxide equivalent intensity index* under paragraph (m), *AEMO* may use the methodology for estimating an *emission factor* under the *carbon dioxide equivalent intensity index procedures* to calculate the *carbon dioxide equivalent intensity index* if the *emission factor* for a *generating unit* described in paragraph (m) is not publicly available.
- (o) *AEMO* must, as soon as practicable after it updates the *carbon dioxide equivalent intensity index* and any *supplementary carbon dioxide equivalent intensity indicators* under paragraphs (k) to (m):
  - (1) update the table described in paragraph (i) with the new *emission factor(s)*, the source of that information and where appropriate, any new *scheduled generating unit* or *market generating unit* included in the calculation of the *carbon dioxide equivalent intensity index*; and
  - (2) publish the table.
- (p) *AEMO* must amend the *timetable* to include the time interval in which it must publish the *carbon dioxide equivalent intensity index* under the *carbon dioxide equivalent intensity index procedures* (as amended under this clause 3.13.14).
- (q) Despite clause 3.4.3(b), *AEMO* may amend the *timetable* under paragraph (p) without following the *Rules consultation procedures*.

## **[2] Chapter 10            New definitions**

In Chapter 10, insert the following new definitions in alphabetical order:

### ***Australian Government's National Greenhouse and Energy Reporting System***

The reporting system developed under the *National Greenhouse and Energy Reporting Act 2007* (Cth).

### ***carbon dioxide equivalent intensity index***

The index published by *AEMO* in accordance with clause 3.13.14(f).

### ***carbon dioxide equivalent intensity index procedures***

The procedures published by *AEMO* in accordance with clause 3.13.14(a).

### ***emission factor***

The factor representing the amount of greenhouse gas emissions per unit of electricity (t CO<sub>2</sub>-e/MWh) of energy produced by each *power station*.

### ***supplementary carbon dioxide equivalent intensity indicator***

Any indicators relating to a subset of *scheduled generating units* and *market generating units* published by *AEMO* in accordance with clause 3.13.14(h).

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