Greenhouse Gas Benchmark Rule (Large User Abatement Certificates) No. 4 of 2003

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1 Name and commencement

This rule is the *Greenhouse Gas Benchmark Rule (Large User Abatement Certificates) No. 4 of 2003* and commences on 3 October 2003. At its commencement, this Rule is to be taken as having amended the *Greenhouse Gas Benchmark Rule (Large User Abatement Certificates) No. 4 of 2003* that commenced on 1 January 2003, to the extent that this Rule differs from that Rule.

2 Objects of the Rule

The object of this Rule is to provide specific arrangements for the creation and calculation of Large User Abatement Certificates (LUACs) through the abatement of on-site production-related emissions. This Rule aims to reduce on-site greenhouse emissions not directly related to electricity consumption.

3 Application of the Rule

Without limiting the persons to whom this Rule applies, this Rule applies to Large Users accredited to create LUACs in accordance with the Act and the Regulations.

4 Status and Operation of the Rule

This Rule is a Greenhouse Gas Benchmark Rule made under Part 8A of the Act.

5 Eligibility to be an Accredited Abatement Certificate Provider in respect of Large User Abatement Activities

The Scheme Administrator may accredit as Accredited Abatement Certificate Providers in respect of Large User Abatement Activities (such accredited persons being "Large Users" for the purpose of this Rule):

(a) Large Customers who have elected to become a Benchmark Participant;

(b) persons engaged in carrying out State Significant Development who have elected to become a Benchmark Participant; or

(c) Market Customers (other than Retail Suppliers) who qualify as a Large Customer.

(Referred to collectively in this Rule as Large Users)

6 Persons Eligible to Create LUACs under this Rule

Despite any other provision in this Rule, only Accredited Abatement Certificate Providers accredited in respect of Large User Abatement Activities for the purpose set out in clause 5 may create LUACs under this Rule.

7 Activities that constitute Large User Abatement Activities

7.1 Large User Abatement Activities are activities carried out by a Large User which;

(a) increase the efficiency of on-site fuel use;

(b) replace higher-emissions fuels with lower emissions fuels;

(c) abate on-site Greenhouse Gas emissions created from industrial processes; or

(d) abate on-site fugitive Greenhouse Gas emissions

and that meet the following criteria:

(e) the emissions associated with the abatement must be of a category reported in the NGGI;

Note: There are some actions which may reduce emissions, but which for the time being lie outside 60the scope of the NGGI – for example, the abatement of spontaneous combustion emissions from coal. Such actions cannot create LUACs.

(f) the abatement must be of emissions occurring at a metered site or sites in New South Wales owned or occupied by a Large User, and the Large User or its related body corporate is responsible as a Benchmark Participant for electricity consumed at that site;

(g) the abatement must not occur as a result of compliance with statutory requirements; and

Note: Abatement beyond what would occur from meeting minimum statutory levels could create LUACs.

(h) the abatement must have occurred after 1 January 2003

7.2 Large User Abatement Activities do not include activities:

(a) in which measures impacting on electricity supply or use could lead to the creation of NGACs under the Generation Rule or Demand Side Abatement Rule;

(b) which, in the course of carrying out the activity results in an emission reported in the following sections of the NGGI:

(i) "Agriculture";

(ii) "Land Use Change and Forestry"; or

(iii) the "Transport" subsection of "Energy".

Note: The following are examples of activities which may create LUACs:

- **Stationary fuel use**: increases in the efficiency of on-site use of fuels or substitution of higher-emissions fuels with lower-emissions fuels could be considered for LUAC eligibility.
- **Fugitive emissions from coal mining which arise at the site of the Large User**: the capture and combustion of coal mine waste methane instead of venting it to atmosphere could lead to significant emissions reductions. However, the capture must be from an operating mine (the NGGI methodology does not cover emissions from closed mines). If the methane is used in an electricity generation project it cannot create LUACs.
- **Fugitive emissions**: reducing fugitive emissions from the production and refining of natural gas and hydrocarbons may be considered for LUAC eligibility.
- **Industrial processes**: the NGGI records significant emissions of Greenhouse Gas from the Chemicals, Iron and Steel, Aluminium, Cement and Other Mineral Products industries emissions from these processes could result in eligibility to create LUACs.
- **Fugitive CH_4 emissions from landfills located at the Large User site/s and owned or controlled by the Large User**: the capture and combustion of on-site landfill methane instead of venting it to atmosphere could lead to significant emissions reductions. But methane which is used in an electricity generation project and which creates RECs or NGACs is not an activity which creates LUACs.

The following are not examples of increasing the efficiency of on-site fuel use:

- Closing down part of a plant that used a fuel, and not replacing that part of the plant's productive capacity elsewhere.
- Moving part of a production process that used a fuel to another site in another jurisdiction.

8 Creation of LUACs from Large User Abatement Activities

8.1 Number of LUACs that may be created from Large User Abatement Activities

In respect of any Large User Abatement Activity, the Large User may create the *Number of LUACs* calculated using:

(a) in respect of SAPs, the Project Impact Assessment Method in clause10;

(b) in respect of Existing Plant, the Baseline Method for Existing Plant in clause 11; or

(c) in respect of Plant Extensions or New Plant, the Baseline Method for Plant Extensions or New Plant in clause 12.

8.2 Adjustment of number of LUACs that may be created for GGAP funded projects

Despite any other provision in this Rule, if on or after 1 January 2003 approval for GGAP funding has been granted for a project, the maximum number of LUACs that an Abatement Certificate Provider can create under this Rule from the number of tonnes of carbon dioxide equivalent of Greenhouse Gas emissions abated by the project equals the percentage of the total number of LUACs that it is otherwise entitled to create under this Rule from that project corresponding to the percentage of project funding that is not provided by GGAP.

Note: For example, if GGAP funding represents 20% of total project funding, then the project developer can only create LUACs for 80% of the eligible abatement achieved.

9 Calculation of Emissions

9.1 Identification and Quantification of Emissions

9.1.1 For the purpose of applying the Project Impact Assessment Method, all emissions of:

(a) carbon dioxide;

(b) methane;

(c) nitrous oxide;

(d) perfluorocarbons; and

(e) sulphur hexafluoride

occurring at the Large User's site/s as a result of implementation of the SAP must be identified and quantified for each SAP for which the Project Impact Assessment Method is being applied.

9.1.2 For the purpose of applying the Baseline Method for Existing Plant in clause 11 or the Baseline Method for Plant Extensions or New Plant in clause 12, the Large User must identify and quantify the following emissions for the whole of the site for which the relevant Baseline Method is being applied:

(a) carbon dioxide;

(b) methane;

(c) nitrous oxide;

(d) perfluorocarbons; and

(e) sulphur hexafluoride,

occurring at the Large User's site/s as a result of:

(i) fuel combustion;

(ii) fugitive emissions;

(iii) industrial processes; or

(iv) anaerobic decomposition of liquid or solid waste.

9.2 Method of Calculation

9.2.1 A Large User must calculate emissions either according to the methodologies and Emission Factors in the latest versions of the NGGI Methodology Workbooks and Supplements published by the Australian Greenhouse Office, or by another method, provided that such method is approved by the Scheme Administrator. The Scheme Administrator may only approve a different method of calculating emissions if the Large User Abatement Activity is not covered in the latest versions of the NGGI Methodology Workbooks and Supplements.

Note: Emission Factors are used to calculate Greenhouse Gas emissions by multiplying the factor (eg tonnes of CO_2-e per GJ of gas) with activity data (such as GJ of gas).

9.3 Calculation of Emissions from Combustion of Coal, Petroleum Fuels, Natural Gas or Waste Methane from Fossil Sources

Where the creation of LUACs involves calculating the emissions from the combustion of coal, petroleum fuels, natural gas or waste methane from fossil sources (eg coal mine waste gas), the following emissions must be taken into account:

(a) CO_2 emissions at the point of combustion, calculated using the CO_2 Emission Factors for that fuel type in the Generation Rule. Another CO_2 Emission Factor may be accepted by the Scheme Administrator if the Large User can justify its adoption and document its application;

(b) CH_4 and N_2O emissions at the point of combustion, calculated using the CH_4 and N_2O Emission Factors for that fuel-equipment combination in the Generation Rule. Other CH_4 or N_2O Emission Factors may be accepted by the Scheme Administrator if the Large User can justify their adoption and document their application;

(c) fugitive CO_2 and CH_4 emissions associated with the production of the fuel, calculated using the fugitive CO_2 and CH_4 Emission Factors in the Generation Rule. Other CO_2 or CH_4 Emission Factors may be accepted by the Scheme Administrator if the Large User can justify their adoption and document their application; and

(d) for waste methane, CH_4 emissions avoided through combustion of the fuel, calculated using the CH_4 Emission Factors in the Generation Rule. Another CH_4 Emission Factor may be accepted by the Scheme Administrator if the Large User can justify its adoption and document its application.

9.4 Calculation of Emissions from the Combustion of Renewable Energy Sources

Where the creation of LUACs involves calculating the emissions from the combustion of Renewable Energy Sources only the following emissions must be taken into account:

(a) CH_4 and N_2O emissions at the point of combustion, calculated using the CH_4 and N_2O Emission Factors for that fuel equipment combination in the

Generation Rule. Other CH_4 or N_2O Emission Factors may be accepted by the Scheme Administrator if the Large User can justify their adoption and document their application; and

(b) for waste methane, CH_4 emissions avoided through combustion of the fuel, calculated using the CH_4 Emission Factors referred to in the Generation Rule. Another CH_4 Emission Factor may be accepted by the Scheme Administrator if the Large User can justify its adoption and document its application.

9.5 Calculation of Reduction in Emissions of Perflurocarbons or Sulphur Hexafluoride

Where the creation of LUACs involves a Large User Abatement Activity that reduces the emissions of perfluorocarbons, or sulphur hexafluoride, the calculation of emissions must be made in accordance with the NGGI using a method approved by the Scheme Administrator.

10 Specific Abatement Projects

Where a Large User implements a SAP which leads to reduced Greenhouse Gas emissions, it may create LUACs arising directly from that SAP. Any impact of the SAP which may increase Greenhouse Gas emissions from other parts of its operations must be taken into account in calculating the *Number of LUACs* able to be created. The *Number of LUACs* arising from a SAP must be calculated using the Project Impact Assessment Method.

Note: The Project Impact Assessment Method can be used to assess the impact of a SAP. It does not require emissions from the whole plant to be calculated or for emissions to be calculated per unit of industrial output. It also allows, but does not necessarily require, emissions to be calculated per unit of industrial output.

10.1 *Number of LUACs* under the Project Impact Assessment Method

10.1.1 Using the Project Impact Assessment Method, *Number of LUACs* is calculated using **Equation 1**.

Equation 1

Number of LUACs = Emissions Abated x Confidence Factor

Where:

- *Number of LUACs* is in t CO_2-e abated
- *Emissions Abated* (in t CO_2-e) is calculated:
  - for activities that either increase the efficiency of on-site fuel use or replace higher emissions fuels with lower emissions fuels using Method 1; or
  - for activities that either abate on-site Greenhouse Gas emissions created from industrial processes or abate on-site fugitive Greenhouse Gas emissions, using Method 2.
- *Confidence Factor* depends on the type of engineering assessment performed under clause 10.2 and is assigned to the calculation according to clause 10.3.

Method 1

Step (1)

Calculate emissions (in tonnes of carbon dioxide equivalent) associated with fuel use in that part of the production process that is the subject of the SAP prior to the implementation of the SAP by using clause 10.1 of the Generation Rule (*$Emissions_{Before}$)*

This calculation must include all fuels used and both combustion and fugitive emissions.

This calculation may be expressed in terms of emissions per unit of industrial output where there is a direct relationship between emissions and production levels and where production levels are not reasonably constant *("Emissions per unit of industrial ouput$_{Before}$").*

Step (2)

Calculate emissions (in tonnes of carbon dioxide equivalent) associated with fuel use in the SAP after the implementation of the SAP using clause 10.1 of the Generation Rule ("*$Emissions_{After}$*").

The calculation must include all fuels used, and include both combustion and fugitive emissions.

If the calculation in Step 1 was expressed in terms of emissions per unit of industrial output, the calculation in Step 2 should be expressed in the same manner *(Emissions per unit of industrial output$_{After}$).*

Step (3)

Calculate the change in emissions (in tonnes of carbon dioxide equivalent), if any, in any other part of the production process that is caused by the implementation of the SAP ("*$Change_{Other\ Emissions}$*").

If the calculations in Steps 1 and 2 were expressed in terms of emissions per unit of industrial output, the calculation in Step 3 should be expressed in the same manner *("Change in emissions per unit of industrial output$_{Other\ Emissions}$").*

Step (4)

If the calculations in Steps 1-3 were not expressed in terms of emissions per unit of industrial output, calculate Emissions Abated (in tonnes of carbon dioxide equivalent) as follows:

$$Emissions\ Abated = Emissions_{Before} - Emissions_{After} + Change_{Other\ Emissions}$$

If the calculations in Steps 1 to 3 were expressed in terms of emissions per unit of industrial output, calculate Emissions Abated (in tonnes of carbon dioxide equivalent) as follows:

$$Emissions\ abated = (Emissions\ per\ unit\ of\ industrial\ output_{Before} - Emissions\ per\ unit\ of\ industrial\ output_{After} + Change\ in\ emissions\ per\ unit\ of\ industrial\ output_{Other\ Emissions}) \times Total\ units\ of\ industrial\ output$$

Where *Total units of industrial output* is calculated over same period as the claimed abatement.

Method 2

Step (1)

Calculate total industrial or fugitive emissions (in tonnes of carbon dioxide equivalent) prior to the introduction of the SAP ("$Emissions_{Before}$").

This must include all industrial or fugitive emissions associated with that part of the production process affected by the SAP.

Step (2)

Calculate total industrial or fugitive emissions (in tonnes of carbon dioxide equivalent) after the introduction of the SAP ("$Emissions_{After}$").

This must include all industrial or fugitive emissions associated with the SAP.

Step (3)

Calculate the change in emissions (in tonnes of carbon dioxide equivalent), if any, in emissions elsewhere in the production process directly affected by the implementation of the SAP ("$Change_{Other\ Emissions}$").

Step (4)

Calculate emissions associated with the combustion of any industrial or fugitive emissions using Clause 10.1 of the Generation Rule ("$Emissions_{Combustion}$").

Step (5)

Calculate total emissions abated as follows:

$$Emissions\ Abated = Emissions_{Before} - Emissions_{After} + Change_{Other\ Emissions} + Emissions_{Combustion}$$

10.2 Engineering assessment of impact of a SAP

Large Users using the Project Impact Assessment Method in respect of Greenhouse Gas abatement must, for the purposes of **Methods 1 and 2** calculate the *Emissions Abated* using an engineering assessment or model:

(a) that uses reasonable assumptions and generally accepted engineering methods, models and formulae;

(b) in which the methods, models and formulae used to assess the *Emissions Abated* are chosen by the Large User, but the assessment is assigned a *Confidence Factor* under clause 10.3, reflecting the accuracy of the engineering assessment conducted; and

(c) that takes account of:

(i) the impact of the implementation of the SAP on all Greenhouse Gas emissions that are directly affected by the SAP, including those that are affected elsewhere in the production process;

(ii) the performance of the equipment, systems or processes changed by implementation of the SAP, including degradation over time; and

(iii) the operating characteristics of the equipment, systems or processes, including hours of use, degree of loading, usage, operating patterns and behaviour, ambient conditions and any other relevant factors changed by the implementation of the SAP.

10.3 Confidence Factor

The *Confidence Factor* is:

(a) 1.0, if the engineering assessment determines Greenhouse Gas emissions to a high level of accuracy based on accurate records of:

(i) the quantity and quality of fuel actually used on-site (if relevant) and

(ii) the quantity and composition of industrial or fugitive emissions (based on continuous monitoring technology), or

(b) 0.80, if the engineering assessment is based on estimated, rather than actual, data. However, the Scheme Administrator may allow the Large User to use a Confidence Factor of 1.0 if it is of the view that the estimation technique would yield an equivalent level of accuracy as records of actual fuels used or actual industrial or fugitive emissions.

10.4 New equipment that does not replace existing equipment, process or system to be better than typical equipment

For new equipment that does not replace existing equipment, process or system a Large User must demonstrate to the satisfaction of the Scheme Administrator, before being entitled to create the *Number of LUACs* calculated under clause 10.1, that the Greenhouse Gas emissions associated with the new equipment is lower than:

(a) the typical Greenhouse Gas emissions for such existing equipment, process or system having the same function, output, standard or service:

(i) in New South Wales; or

(ii) if there is no such existing equipment, process or system in New South Wales, in Australia; or

(b) if there is no value that can be determined under (a), a level of Greenhouse Gas emissions for such existing equipment, process or system as determined by the Scheme Administrator.

by reference to:

(c) any benchmarking or performance indicators established and published by a body recognised by the Scheme Administrator, including industry associations; or

(d) the type of equipment, process, or system and level of emissions considered typical for such equipment, process or system taking into account existing installations of this type of equipment, process, or system. .

11 Baseline Method for Existing Plant

Note: the Baseline Method for Existing Plant is likely to be most effective where an Existing Plant produces a single product or a limited range of products where the Greenhouse Gas Intensity can be described by a simple equation. The Baseline Method for Existing Plant should reward abatement for the same product mix and input material mix.

11.1 Number of LUACs created using the Baseline Method for Existing Plant

11.1.1 Using the Baseline Method for Existing Plant, *Number of NGACs*, in any year, is calculated by multiplying the difference between the actual output Emission Intensity of the Existing Plant in that year and the *Baseline Emission Intensity for an Existing Plant*, by the total units of industrial output from the Existing Plant in that year, with a correction for changes in the product and input mix.

11.1.2 For the purposes of using the Baseline Method for Existing Plant, the appropriate unit of output is to be determined by the Scheme Administrator. Units of output must refer to physical units of output.

11.1.3 Where the Large User Abatement Activity relates to reducing emissions per unit of industrial output occurring at an Existing Plant, the number of LUACs must be determined by reference to a *Baseline Emission Intensity* calculated in accordance with this section 11.2.

11.2 Calculation of *Baseline Emission Intensity* for Existing Plant

A *Baseline Emission Intensity* for an Existing Plant is calculated in accordance with **Equation 2.**

Equation 2

Baseline Emission Intensity for an Existing Plant = $\sum_{S}$ Emissions / $\sum_{S}$ Output

Where:

- *Baseline Emission Intensity for an Existing Plant* is in t CO_2-e per unit of industrial output.
- *Emissions* is total Greenhouse Gas emissions from an Existing Plant in a year.
- *Output* is the total units of industrial output of an Existing Plant in a year.
- *S* is for each of the years 1997 to 2001.

In applying **Equation 2** an adjustment must be made for periods during which the mix of inputs and/or outputs have varied; and

(i) there was atypically low output due to rebuilds or other extended off-line periods; or

(ii) not all of the plant was commissioned

in which case production data should be taken from those periods when the whole plant was operating typically and fully. Where insufficient data are available to calculate the *Baseline Emission Intensity for an Existing Plant* for the years 1997-2001, the Scheme Administrator may approve an extrapolation from existing data, or a model estimating emissions for this period.

11.3 Production, Product and Input Equations

11.3.1 Large Users using the Baseline Method for Existing Plant to calculate the *Number of NGACs* must, if required by the Scheme Administrator:

(a) submit a production equation approved by the Scheme Administrator (**"Production Equation"**) that describes the relationship between Emission Intensity and total units of industrial output in a year, based on at least the period used to calculate the *Baseline Emission Intensity for an Existing Plant* in **Equation 2** or longer, if necessary, to demonstrate that relationship, with documentation supporting and justifying the equation. If the Existing Plant has been operating less than 3 years, a Production Equation based on theoretical models may be approved by the Scheme Administrator;

(b) submit a product equation approved by the Scheme Administrator (**"Product Equation"**)that describes the relationship between Emission Intensity and different proportions of different products, and different quality products, based on at least the period used to calculate the *Baseline Emission Intensity for an Existing Plant* in **Equation 2** or longer, if necessary, to demonstrate that relationship, with documentation supporting and justifying the equation. If the Existing Plant has been operating less than 3 years, a Product Equation based on theoretical models may be approved by the Scheme Administrator; and

(c) submit an input equation approved by the Scheme Administrator (**"Input Equation"**) that describes the relationship between Emission Intensity and different types of different process inputs, based on at least the period used to calculate the *Baseline Emission Intensity for an Existing Plant* in **Equation 2** or longer, if necessary, to demonstrate that relationship, with documentation supporting and justifying the equation. If the Existing Plant has been operating less than 3 years, or if data are unavailable, an Input Equation based on theoretical models may be approved by the Scheme Administrator.

Note: The Emission Intensity for any industrial plant may vary depending on the total level of output, the type and quality of inputs and the mix of products produced. Clause 11.3.1 takes these effects into account.

11.3.2 Once the Production Equation, Product Equation and Input Equation are established, the corrected *Baseline Emission Intensity for an Existing Plant* for the year for which LUACs are being created, is to be corrected and is equal to the *Baseline Emission Intensity for an Existing Plant* for the total units of industrial output, the equivalent mix of products and

the equivalent mix of inputs for that year using the Production Equation, Product Equation and Input Equation.

Note: The corrected *Baseline Emission Intensity* represents the Emission Intensity that would have applied in the years 1997 to 2001 had the mix of inputs, the mix of outputs and the total units of industrial output been the same as the year for which LUACs are being created.

12 Baseline Method for Plant Extensions or New Plant

12.1 Number of LUACs created using the Baseline Method for Plant Extensions or New Plant

Using the Baseline Method for Plant Extensions or New Plant, *Number of LUACs* is calculated by multiplying the difference between the actual Emission Intensity of the Plant Extension or New Plant in any year and the corrected *Existing Industry Average Emission Intensity* for that year by the total units of industrial output from the Plant Extension or the New Plant in that year.

12.2 Large User Abatement Activity for Plant Extensions or New Plant between 2003 and 2007

A *Baseline Emission Intensity* for Plant Extensions or New Plant that commenced Commercial Operation between 2003 and 2007 must be calculated in accordance with **Equation 3.**

Equation 3

Baseline Emission Intensity for an Plant Extension or New Plant = Existing Industry Average Emission Intensity

Existing Industry Average Emission Intensity = $\sum_{S}$ Total Industry Emissions /

$\sum_{S}$ Total Industrial Output

Where:

- *Baseline Emission Intensity for a Plant Extension of New Plant* is in t CO_2-e per unit of industrial output in a year.
- *Existing Industry Average Emission Intensity* is in t CO_2-e per unit of industrial output in a year.
- *Total Industry Emissions* is total Greenhouse Gas emissions from all comparable plants producing comparable products from comparable inputs in NSW in that year.
- *Total Industrial Output* is the total units of industrial output of all comparable plants producing comparable products from comparable inputs in NSW in that year.
- *S* is for each of the years 1997 to 2001.

12.3 Large User Abatement Activity for Plant Extensions or New Plant between 2008 and 2012

A *Baseline Emission Intensity* for Plant Extensions or New Plant that commenced Commercial Operation between 2008 and 2012 must be calculated in accordance with **Equation 3** but where *S* is for each of the years 2002 to 2006.

12.4 Comparable Plant Extensions and New Plant

12.4.1 For the Purpose of applying **Equation 3**, in the event that there is no comparable plant in New South Wales the *Baseline Emission Intensity* is to be calculated by reference to the average Emission Intensity of all comparable plant of that type that commenced operation in:

(a) Australia; or

(b) if none in Australia, a level of Greenhouse Gas emissions for such existing equipment, process or system as determined by the Scheme Administrator having regard to its estimate of typical industry practice.

12.5 Production, Product and Input Equations

Large Users seeking to create LUACs via the Baseline Method for Plant Extensions or New Plant must, if required by the Scheme Administrator submit a Production Equation, Product Equation and Input Equation which conform with the principles set out in clause 11.3 with reference to all comparable plant in NSW.

13 Definitions and Interpretation

13.1 In this Rule:

"Commercial Operation" means receiving any payment for industrial output produced from the Plant Extension or New Plant, excluding for production during any periods of testing to meet licence conditions prior to approval to operate.

"Demand Side Abatement Rule" means the *Greenhouse Gas Benchmark Rule (Demand Side Abatement) No. 3, 2003*

"Emission Factor" is the quantity of a given Greenhouse Gas emitted per unit of energy (kg CO2/GJ), fuel (t CH_4/t coal) or other such measure.

"Emission Intensity" is the Greenhouse Gas emissions(t CO_2-e) per Unit of Industrial Output..

"Existing Plant" is a plant that existed on or before 1 January 2002.

"Generation Rule" means the *Greenhouse Gas Benchmark Rule (Generation) No. 2, 2003*

"GGAP" means the Greenhouse Gas Abatement Program administered by the Australian Greenhouse Office of the Commonwealth.

"Large User Abatement Activity" has the meaning given to it under clause 7 of this Rule.

"LUAC" (Large User Abatement Certificate) means a non-transerable abatement certificate under section 97F of the Act, which is created in accordance with this Rule.

"New Plant" is any plant which commences production after 1 January 2002.

NGGI" (National Greenhouse Gas Inventory) means the report on all human-induced Greenhouse Gas emissions in Australia as most recently published by the Australian Greenhouse Office (www.greenhouse.gov.au).

"NGAC" (New South Wales Abatement Certificate) means a transferable abatement certificate under section 97F of the Act) which is created in accordance with the Generation Rule, the Demand Side Abatement Rule or the Sequestration Rule..

"Plant Extension" is any extension of an Existing Plant:

(a) which increases capacity by more then 10%; and
(b) that commences production after 1 January 2002.

"REC" means a renewable energy certificate as defined in s 97AB of the Act.

"Renewable Energy Source" means *eligible renewable energy sources* under sub-sections 17(1) and (2) of the *Renewable Energy (Electricity) Act 2000* (Cth).

"Regulations" means regulations made pursuant to Part 8A of the Act.

"SAP" (Specific Abatement Project) is a project completed after 1 January 2002 in which a change to an industrial process results in an identifiable and measurable reduction in Greenhouse Gas emissions.

"Sequestration Rule" means the *Greenhouse Gas Benchmark Rule (Carbon Sequestration) No. 5 of 2003*

"the Act" means the *Electricity Supply Act 1995*.

13.2 Notes in this Rule do not form part of the Rule.

13.3 The terms and expressions used in this Rule have the same meaning as in the Act or as defined in Part 8A of the Act, except the terms that are expressly defined in this Rule.