

ELECTRICITY ACT 1994

CHAPTER 5A - QUEENSLAND GAS SCHEME

Section 135CK

ELIGIBLE ELECTRICITY GUIDELINES for Accredited Generators

PURPOSE

This document establishes rules about the data that must be used by relevant accredited generators to work out their eligible gas-fired electricity. The authority to issue 'Eligible Electricity Guidelines' is provided in Section 135CK of Chapter 5A of the *Electricity Act 1994* (the Act).

DATE OF EFFECT

In accordance with Section 135CL of the Act, this document takes effect on the later of the following days –

- 15 June 2005; or
- the effective accreditation date as stated in the accredited generator's accreditation document.

APPLICATION OF DOCUMENT

This document applies to all accredited generators under the Queensland Gas Scheme (the Scheme), subject to the date of effect as stated above. However, this document does not apply to an accredited generator if the regulator has approved another Eligible Electricity Guideline for the generator.

In accordance with the provisions of Section 135DJ of the Act, the regulator and any other officials undertaking regulatory functions may have regard to the accredited generator's compliance with the Eligible Electricity Guidelines when assessing whether Gas Electricity Certificates (GECs) have been validly created.

In addition, in accordance with Section 135DO of the Act, proven compliance with this document is a defence in any proceeding against an accredited generator for the improper creation of a GEC.

In the event of any inconsistency between this document and the relevant provisions of the Act and the *Electricity Regulation 2006* (the Regulation), the Act and the Regulation will prevail to the extent of the inconsistency.

BACKGROUND

Under the Scheme, eligible gas-fired power stations can earn tradeable GECs and liable parties will have an obligation to surrender GECs to meet their annual GEC liability.

The Act provides a process for the accreditation of power stations producing eligible gas-fired electricity. Accredited generators will have the right to create GECs for each whole MWh of eligible gas-fired electricity, which is not an auxiliary load.

For the purposes of working out the eligible gas-fired electricity, it will be necessary to use the formulae described by the Act. The key amount relevant to working out a power station's eligible gas-fired electricity is either the amount of electricity sent out from the power station or the amount delivered to the power station's baseline customers. Incidental amounts, such as auxiliary loads, may also need to be measured to exclude them from the calculation of the relevant key amount.

Typically, electricity sent out from the power station will be measured at the point where exports to the grid are measured for settlement purposes, less any imports to the power station. Similarly, electricity delivered would typically be measured at the delivery meter upon which electricity consumed by the customer is measured for billing purposes (the 'billing meter'), less any imports to the power station.

Where available, meter data will be used to either directly confirm or calculate quantities at measurement points relevant to the calculation of the eligible gas-fired electricity. However, some generators, particularly those participating in the National Electricity Market (NEM) receive a number of revisions of meter data before it is completely finalised.

As a result, it has been considered necessary to publish rules about which meter data sets should be used to support the initial creation of GECs and how subsequent revised/corrected data should be catered for. The intent of the rules is to authorise the initial creation of GECs on the basis of what may not be absolutely final data, yet minimise the likely incidence of error by requiring the use of data sets which typically have a minimal percentage of error. Correction for final data is a requirement.

The Department's Administrative Guideline Number 1313-01 (Metering Information requirements for Power Station Accreditation) provides guidance in relation to the metering. Metering requirements may also be addressed through special conditions set out in the accreditation document or in a 'Measurement Method' approved for the accredited generator under Section 135JA of the Act.

Power Stations connected to the NEM

If a power station is a participant in the NEM, electricity sent out is likely to rely on meter data used for NEM settlements. In this case, the NEM settlements process allows for data revisions as described in the NEM Settlements Process document, as published by the National Electricity Market Management Company (NEMMCO) and varied from time to time. The document explains that, for a given period of seven days commencing at 12 am Sunday (a billing period), financial settlement takes place on the twentieth business day after the billing period. The data shown on the Final Statement, as prepared on the eighteenth business day after the billing period, is used for financial settlement.

For any given billing period, the data used for NEM settlements can be revised up to 30 weeks after the relevant billing period. This means adjustments to financial settlements can also occur up to this date.

Power Stations not connected to the NEM

If a power station is not a participant in the NEM, electricity sent out is likely to rely on data used for settlements associated with the supply of electricity to a customer via a revenue meter. Any contract between the parties may allow for adjustments arising from data revisions. However, there is also likely to be a date beyond which data revisions will not be considered for financial adjustments.

Legislative Requirements

In accordance with Section 135DE of the Act, a GEC may only be created for each whole MWh of eligible gas-fired electricity that is not an auxiliary load for a power station.

Chapter 5A, Part 3, Division 2 of the Act provides for the regulator to prepare guidelines (Eligible Electricity Guidelines) for accredited generators in relation to the data that must be used to work out eligible gas-fired electricity. The Eligible Electricity Guidelines must be provided to accredited generators.

In accordance with Section 135DJ of the Act, the regulator may have regard to the accredited generator's compliance with the Eligible Electricity Guidelines when assessing whether GECs have been validly created.

As described in Section 135B of the Act, when undertaking required periodic GEC reviews to analyse and adjust the accuracy of information used for GEC creation, the accredited generator must also comply with the Eligible Electricity Guidelines.

Section 135DO of the Act provides for the offences for improper creation of a GEC. According to this section, it is a defence in any proceeding undertaken against a person in relation to the improper creation of a GEC, for the person to prove they complied with the Eligible Electricity Guidelines, to the extent they are relevant. The defence does not apply to an offence which arose because the creator was not an accredited generator and therefore not authorised to create GECs.

Section 135BA of the Act imposes an obligation on accredited generators to take action to correct the working out of eligible gas-fired electricity if they discover they have improperly created GECs or, if as a result of a GEC Review, they have identified inaccuracies in the information used to work out eligible gas-fired electricity. According to Section 135BA of the Act the generator must ensure they do not create more than one GEC for each MWh of eligible gas-fired electricity.

DATA QUALITY REQUIREMENTS

Eligible gas-fired electricity is worked out as described in Chapter 5A, Part 3, Division 1 of the Act. The relevant formulae use various amounts, some of which are metered and may be subject to data revisions. Meter data revision processes have the potential to lead to the improper creation of GECs. Therefore, the following data quality requirements apply to accredited generators.

GEC CREATION TO BE BASED ON CORRECTED DATA

Accredited generators must use only 'corrected data' to work out eligible gas-fired electricity for the initial creation of GECs.

For the purposes of the above, 'corrected data' means -

- For Power Stations participating in the NEM – the relevant supporting data for a 'Final Statement' as provided for in Section 3.15.15 of the National Electricity Rules (issued 18 business days after the relevant billing period) or a subsequent NEMMCO data set supporting a revision of the Final Statement.

For the avoidance of doubt, GECs created using NEMMCO settlement data issued prior to the 'Final Statement' will be considered to have been improperly created.

- For power stations not participating in the NEM - the relevant data set that has been used to support initial billing and financial settlement of the relevant customers as supported by the relevant invoice, or a subsequent data set supporting billing adjustments.

In both cases above, it is noted that adjustments resulting from subsequent data revisions to the number of GECs created may be made in the course of the periodic GEC Reviews discussed below.

CORRECTION FOR SUBSEQUENT DATA REVISIONS

When reviewing the accuracy of information used to calculate eligible gas-fired electricity in accordance with the 'GEC Review' obligation under Section 135B of the Act, accredited generators must use the *latest available data* to re-calculate and adjust where necessary the eligible gas-fired electricity and, to the extent possible, any associated GEC creation activities undertaken in the year to date.

According to Section 135BA of the Act the generator must take action to ensure it –

- complies with Section 135DO of the Act (*Offence of improper creation of GEC*); and
- does not create more than one GEC for each MWh of eligible gas-fired electricity.

Latest available data means -

- For Power Stations participating in the NEM - meter data revisions issued by NEMMCO, which have occurred since the issue of the NEMMCO 'Final Statement' or other NEMMCO data set used to support GEC creation, including any *revised statement, routine revised statement or special revised statement*, as available up to a 30 week period after the end of the relevant billing period.
- For Power Stations not participating in the NEM – meter data adjustments or revisions made subsequent to the preparation of the customer's initial bill for the relevant periods, up to a 30 week period after the end of the billing/settlement period, irrespective of whether the data revision is reflected in subsequent billing or financial settlements.

ANNUAL ELECTRICITY GENERATION RETURN

In preparing the Annual Electricity Generation Return, as required under Section 135BE of the Act, the accredited generator must provide data to support the number of GECs created for the relevant period.

The accredited generator must ensure the total number of GECs created reflects all available data and associated revisions as at 1 March (or a later date) of the year following the calendar year for which the annual electricity generation return is being prepared.

The return must also incorporate information and supporting data on any meter data revisions or adjustments that were not reflected in the prior calendar year's return (carried forward adjustments).

Arrangements for Special Cases

In the event data arrangements do not appear to be covered by the rules herein, the accredited generator should contact the regulator's office. An individual Eligible Electricity Guideline may be considered necessary.

In deciding on the requirements of any individual Eligible Electricity Guidelines, the regulator may consider issues such as:

- the frequency and/or percentage of error occurring in meter data likely to be used to calculate eligible gas-fired electricity;
- the number of GECs likely to be improperly created by using un-validated meter data sets;
- evidence of meter accuracy and whether maintenance and calibration programmes are kept up-to-date;
- any relevant measurement method approved under Section 135JA of the Act;
- potential impacts on the volume of GECs available in the market and/or the integrity of the Scheme; and
- the general intent to –
 - i. provide clarity to generators about the data that must be used to support GEC creation and thereby reduce the likelihood of improper GEC creation;
 - ii. minimise the incidence and/or percentage of error in data used to support GEC creation;
 - iii. favour GEC creation based on meter data used to support billing; and
 - iv. require accredited generators to account and adjust for all subsequent data revisions or adjustments when undertaking a GEC Review and/or completing Annual Electricity Generation Returns.

RESPONSIBILITIES

The Director-General of the Department of Mines and Energy (and his delegates) as the regulator under the Act is responsible for issuing Eligible Electricity Guidelines.

REFERENCES

Electricity Act 1994

Electricity Regulation 2006

DOCUMENT MAINTENANCE

The regulator reserves the right to amend this guideline.

Version History

Title	Version No.	Approved	Date of Effect	Superseded Date
Eligible Electricity Guideline for Accredited Generators	1	15/06/05	15/06/05	17/11/06
Eligible Electricity Guideline for Accredited Generators	1.1	17/11/06	17/11/06	25/09/08
Eligible Electricity Guideline for Accredited Generators	1.2	25/09/08	25/09/08	