



Landfill Gas and Power

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Mr Bruce Cossill
Group Manager Market Operations
Independent Market Operator
PO Box 7096
Cloisters Square
PERTH WA 6850

By email: operations@imowa.com.au

Dear Bruce

LGP Submission on Emissions Intensity Reporting EII_CP_001

Thank you for the opportunity to make a submission on the proposal to develop an Emissions Intensity Index (IIE) for the Wholesale Electricity Market.

LGP supports the IMO's approach and recommendations with regard to the Emissions Intensity Index. We consider that publishing an IIE supports the Federal Government Greenhouse Gas mitigation legislation by making available to the market the necessary information for informed decision-making. We welcome the emphasis on minimising the impost on participants by working with information that is readily available, and publishing the IIE at the finest level (facility levels and trading intervals) achievable.

LGP has addressed the specific issues raised and position proposed by the IMO in point form as follows

ITEM

- 1) **AGREED:** WEM participants should provide facility-level emission intensity factors for individual power stations based on or sourced from statutory NGERS data as reported to DCCEE each year.
- 2) **AGREED:** The IIE initially limited to direct emissions (Scope 1) from the power stations. This permits easier and faster implementation by avoiding complexity and it also minimises any additional data collection impost on participants.
- 3) **AGREED:** The IMO should explore the publication of a secondary measure once more accurate data becomes available. This permits more time to assess a cost-benefit approach of imposing on participants more onerous requirements versus the benefits to the market. It also permits reference to practice in other jurisdictions and the demonstrated needs of the market.
- 4) **AGREED WITH PROVISIO:** The IIE to include all facilities in the WEM. While we agree with this at face value, we would suggest the qualification that where such data is not readily available through complexity or small-scale issues, good-faith estimates should be used initially.

- 5) AGREED: The IIE should be published at a Trading Interval level. We perceive that there would be little additional work involved in achieving this outcome with perceived access to other Market systems and in particular dispatch information, and such information should be made readily accessible through the market platforms.
- 6) AGREED: It be left to Participants to aggregate Trading Interval data to peak and off-peak levels to suit their own needs. There is evidence that the traditional "Peak" and "off Peak" intervals used in the gazetted tariffs are not appropriate and it would be an unnecessary hindrance to confine to these the information provided. Providing information at the Trading Interval level facilitates participants in offering emissions-based products to consumers.
- 7) AGREED WITH EMPHASIS: Initially data should be provided voluntarily by all participants, but that consideration be given to the proposition that the requirements and process be formalised within the rules and procedures in the short (emphasis added) term.

LGP supports the Consultant's opinion that this information may well be used by Market Participants and other agencies as a measure for contractual pass through of costs under the Clean Energy Act. As such, in the interests of all Market Participants, the means of reporting and substantiating generators emissions intensity would need to be standardised and formalised in the near future.

We support the proposition that a balance has to be struck between supporting the spirit of the intention of the legislation and compliance with the letter of the Market Rules, and as such it is proper that the Rule Change process should be followed in a considered manner, while simultaneously the IMO should do the best it can with whatever is available. Insofar as data is unavailable, in practice good-faith estimates should be used.

- 8) AGREED: Input data be provided once initially and then updated annually following the NGRS reporting cycle, and the process would need to be designed into a Market Procedure. We suggest that the Market procedure should provide for revision between formal submissions.
- 9) AGREED: The necessary input data be provided on a voluntary and confidential basis in time for an IIE to be published commensurate with commencement of the new legislation, necessitating the provision of data by end of May 2012.

LGP would be willing to provide facility-level emissions intensity input data to the IMO on a voluntary and confidential basis.

Please do not hesitate to contact our Mr Tony Leahy on 9475 0144 or 0412 996 381 should you have any queries or wish to discuss any part of our submission.

Yours Faithfully



**GRAEME ALFORD BE MBA
CHIEF EXECUTIVE OFFICER**