

## 1. NOTICE OF FIRST STAGE OF CONSULTATION

National Electricity Rules – Rule 8.9

---

### 1.1. Carbon Dioxide Equivalent Intensity Index Procedure

Date of Notice: 1 March 2019

This notice informs all Registered Participants and interested parties (Consulted Persons) that AEMO is conducting a consultation on the Carbon Dioxide Equivalent Intensity Index (CDEII) procedures.

This consultation is being conducted under clause 3.13.14(a) of the National Electricity Rules (NER), in accordance with the Rules consultation procedures detailed in rule 8.9 of the NER.

#### Matters under Consultation

##### 1. Mandatory review of the CDEII procedures

- The CDEII procedures, background information, and current and historical CDEII results are published on AEMO's website at: <https://www.aemo.com.au/Electricity/National-Electricity-Market-NEM/Settlements-and-payments/Settlements/Carbon-Dioxide-Equivalent-Intensity-Index>.
- Under clause 3.13.14(e) of the NER, AEMO must conduct a review of the CDEII procedures at least once every 3 years.
- The NER do not specify any particular scope for this review, but AEMO considers that a broad review is appropriate, including the extent to which the CDEII procedures and the underlying index continue to provide value to stakeholders.
- AEMO has not identified any changes to the current calculation methodologies for the CDEII or supplementary indices, but considers that some administrative amendments to the procedures are desirable.

##### 2. Emission Factor data source

- The CDEII procedures provide for emission factor data to be sourced from the current final National Transmission Network Development Plan (NTNDP). The NTNDP is referenced and linked in eight separate sections of the procedures.
- Currently, under the NER, AEMO is required to publish the NTNDP by 31 December each year. However, based on the 2017 recommendations of the Independent Review into the Future Security of the National Electricity Market (Finkel Review), in 2018 most of the relevant content of the NTNDP was published in a broader Integrated System Plan (ISP).
- On 20 December 2018, the Energy Security Board (ESB) recommended that the NTNDP currently provided for in the NER should be replaced by the ISP, to be published every two years with updates between plans as required.
- Although the NER have not yet been amended to implement this recommendation, AEMO anticipates that the NTNDP will be transitioned to the ISP in the near future. The CDEII procedures will therefore need amendment to reflect the likelihood that relevant emissions factor data will be published in documents other than the NTNDP.

### 3. Other matters

- As part of this review, AEMO will be moving the CDEII procedures to the current AEMO procedures template and making minor grammatical corrections and website link updates.

As this is a general review of the CDEII procedures, AEMO invites Consulted Persons to make written submissions on any matter that is within the scope of the procedures as set out in NER clause 3.13.14. Consulted Persons may wish to consider the following questions in particular:

- Are the calculation methodologies for the CDEII and supplementary intensity indices still appropriate, or can they reasonably be improved? How?
- Does the CDEII data, as published by AEMO annually, remain of value to participants in the NEM or related financial markets, relevant and fit for the purpose intended under the NER?
- Do you have any comments on how the required emission factor data in the CDEII procedure should be referenced, given the timing uncertainty of the proposal to transition the NTNDP to the ISP?

### The Consultation Process

The consultation steps and timeframe are outlined below. Future dates are indicative only and subject to change.

PROCESS STAGE	INDICATIVE DATE
Closing date for submissions in response to this Notice	12 April 2019
Publication of Draft Report and Determination	10 May 2019
Closing date for submissions in response to the Draft Report	31 May 2019
Publication of Final Report and Determination	28 June 2019

### Invitation to Make Submissions

AEMO invites written submissions on the matters under consultation, including any alternative or additional proposals you consider may better meet the objectives of this consultation and the national electricity objective in section 7 of the National Electricity Law.

Please identify any parts of your submission that you wish to remain confidential, and explain why. AEMO may still publish that information if it does not consider it to be confidential, but will consult with you before doing so.

Please note that material identified as confidential may be given less weight in the decision-making process than material that is published.

### Meetings

In your submission, you may request a meeting with AEMO to discuss the matter under consultation, stating why you consider a meeting is necessary or desirable.

If appropriate, meetings may be held jointly with other Consulted Persons. Subject to confidentiality restrictions, AEMO will generally make details of matters discussed at a meeting available to other Consulted Persons, and may publish them.

### **Closing Date and Time**

Submissions in response to this Notice of First Stage of Rules Consultation should be sent by email to [markets.settlements@aemo.com.au](mailto:markets.settlements@aemo.com.au) to reach AEMO by 5.00pm (Melbourne time) on 12 April 2019.

All submissions must be forwarded in electronic format (both pdf and Word). Please send any queries about this consultation to the same email address.

Submissions received after the closing date and time will not be valid, and AEMO is not obliged to consider them. Any late submissions should explain the reason for lateness and the detriment to you if AEMO does not consider your submission.

### **Publication**

All submissions will be published on AEMO's website, other than confidential content.