



## EXPLANATORY NOTES – APPLICATION FOR ACCREDITATION

Version 4 as updated in September 2009

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This document is intended as a guide for persons applying for accreditation of renewable energy power stations under the *Renewable Energy (Electricity) Act 2000* (the Act) and the *Renewable Energy (Electricity) Regulations 2001* (the Regulations).

### General Information

Persons seeking to participate in the Renewable Energy Target (RET) scheme by applying for the accreditation of a power station(s) must first become a ‘Registered Person’ under the Act. To become a ‘Registered Person’ the applicant must complete of an ‘Application for Registration’ form located on the Forms page of the ORER website (<http://orer.gov.au/forms/registration.html>) and pay a \$20 application fee. Note: If you or your company are not already a ‘Registered Person’, an application for registration can be submitted simultaneously with an application for accreditation.

Should the ‘Application for Accreditation of a Power Station’ be approved by the Regulator, section 15B of the Act specifies that the applicant becomes the ‘Nominated Person’ for the power station. This means that the ‘Registered Person’ will become the ‘Nominated Person’ for the purposes of the Act. Where the owner(s) and/or operator(s) of a power station are different legal entities, all parties must identify their association with the power station, sign the application form and notify which entity will be the ‘Nominated Person’.

Note that only the ‘Nominated Person’ is able to create Renewable Energy Certificates (RECs) for eligible generation from the power station. The ORER will only discuss the application for accreditation and other related correspondence with the elected ‘Nominated Person’.

The ‘Application for Accreditation of a Power Station’ form outlines the level of information the Regulator expects will be necessary to assess your accreditation application, however, applicants may be asked to provide further information if there are complex issues. If some sections of the application are not relevant, you must enter “not applicable” (N/A) in the relevant field of the application.

Applications will be assessed by the ORER. Sometimes an expert consultant may be engaged by the ORER to assist in the assessment, in which case the confidentiality of applicant’s details will be assured. If an applicant would prefer that the independent

consultant not be involved in the assessment process, they should advise the ORER staff outlining the reasons for their objection. ORER staff will take such objections into account but may still require some input from an independent consultant.

An application fee is payable for each correctly made accreditation application. The application fee is set by Regulation 28. Once the ORER receives a correctly made application, the ‘Nominated Person’ will be notified by email to pay the application fee online through the REC Registry.

Accreditation fees vary depending on the installed capacity of the power station and the complexity of the baseline setting process. Please contact the ORER if you are experiencing difficulties in determining the appropriate accreditation fee for your application.

Once the fee has been paid, details of the power station will be listed on the public ‘Register of Applications for Accredited Power Stations’ (accessed via the REC Registry) and the application process will continue. If the application is ‘properly made’ under section 13 of the Act, and the Regulator approves the application under sections 14 and 15 of the Act, the power station will be listed on the ‘Register of Accredited Power Stations’ and thus be eligible to create RECs from the date the application was deemed to be properly made under section 13 of the Act. If the power station begins generating electricity after this date, RECs can be created from the date the power station begins generating eligible electricity.

**Accreditation Fees:**

<b>Item</b>	<b>Generator</b>	<b>1997 eligible renewable power baseline type</b>	<b>Fee</b>
1	< 10kW, small generation unit or solar water heater for which the right to create certificates is not assigned under subsection 23 (2) or 23C (2) of the Act	Any baseline	\$20
2	< 10MW, other than small generation unit or solar water heater to which item 1 applies	(a)default or nil baseline	\$50
		(b)special baseline with data	\$150
		(c)special baseline without required data (modelling required)	\$250
3	≥ 10 MW, ≤ 25 MW	(a)default or nil baseline	\$200
		(b)special baseline with data	\$500
		(c)special baseline without required data (modelling required)	\$1 000
4	> 25 MW	(a)default or nil baseline	\$1 000
		(b)special baseline with data	\$1 700
		(c)special baseline without required data (modelling required)	\$3 000

The ORER will advise you when your application has been deemed to be properly made under section 13 of the Act. If the application is approved under sections 14 and 15 of the Act, the ‘Nominated Person’ will be given a unique power station accreditation code which is required to create Renewable Energy Certificates (RECs) for eligible generation from the accredited power station.

### **Section A and B: Power Station Owner’s and Power Station Operator’s Contact Details**

Please supply details as requested.

### **Section C: ‘Nominated Person’ Details**

1) There can only be one ‘Nominated Person’ (company or individual) for each power station. Where there are a number of stakeholders associated with a power station (e.g. multiple owners/operators), all stakeholders must elect a single legal entity to act as the ‘Nominated Person’ who will be responsible to liaise and correspond with the ORER on all matters regarding this application, renewable energy certificate (REC) creation and other related issues under the legislation.

The ‘Nominated Person’ can be either the owner or operator of the power station. The applicant must elect which it will be. All stakeholders must identify their association with the power station and sign the completed application form in Section K. This signifies that both parties agree to the selection of the ‘Nominated Person’.

2), 3) and 4) The intended ‘Nominated Person’ must be registered with the ORER. If the intended ‘Nominated Person’ is not already registered with the ORER, an application for registration can be submitted simultaneously with an ‘Application for Accreditation of a Power Station’. If you do not know whether you or your company is a registered person, you can search the internet based registry system, known as the REC Registry (<https://www.rec-registry.gov.au>). The REC Registry holds a variety of public information, including some details of registered persons.

### **Section D: Power Station Details**

This section covers a number of issues that will assist with the assessment of power station’s eligibility. This information helps to provide the Regulator with an understanding of how your power station operates and if the essential eligibility criteria are met. It also assists in the unique identification of your power station.

5) Applicants should propose a name for the power station. The name should allow the power station to be easily differentiated from other power stations. The name should also relate to the location of the power station. The ORER may amend the proposed name of the power station.

6) The power station latitude and longitude (in degrees-minutes-seconds format) should be provided as part of your application. Homeowner applicants do not need to include a latitude or longitude location of their small generator.

7) Applicants are also requested to provide a physical address (street/lot number, suburb, state and postcode) and descriptive overview (eg. 30km SW of Brisbane) of the location of the power station.

8) If your power station is connected to, located near, or an expansion of another power station(s) you must provide details of the other power station(s). Also include whether the nearby power station(s) use the same renewable energy source.

9) and 10) All applicants must provide a description of the power station detailing all power station components and the capacity of the power station (in MW). In describing the power station, the applicant should provide information on the:

- Components of the generation system (defined below);
- Age and type of generating technology, i.e. steam turbine, reciprocating engine, fuel, etc.
- Type of cooling system; and
- Generation voltage.

Here applicants should refer to the guidelines in Schedule 1 of the Regulations. The guidelines in the Regulations are not exhaustive and additional components may be considered by the Regulator to be part of the power station.

Components of an electricity generation system include any of the following, whether or not they are owned by the operator of the system, that are integral to the operation of the system and the generation of electricity. That is:

- i) any component that operates to transform an eligible renewable energy source into electricity;
- ii) any infrastructure of the system, including buildings, fuel storage areas, fuel handling devices, information technology, instrumentation and controls; and
- iii) if fuel is processed in the system before it is converted to electrical energy, the fuel processing and delivery components are taken to be part of the power station.

The ORER requests that you provide photos of the power station with your application. They can be provided in hardcopy with the application or they can be emailed to [orer@orer.gov.au](mailto:orer@orer.gov.au).

### **Section E: Renewable Energy Source Details**

Only power stations using eligible renewable energy source(s) are eligible for accreditation. Section 17 of the Act lists the eligible energy sources.

11) In your application you must provide the renewable energy source details for use in the power station. A variety of energy sources have been grouped under the categories of

renewable and non-renewable fuels. For further information regarding energy sources, please consult the Act and Regulations or contact the ORER.

A number of renewable energy sources require additional information to be provided so that the ORER can assess the eligibility of the energy source under the legislation. Including:

11a) When a power station operator uses, or plans to use, wood wastes to generate electricity, the applicant must be able to demonstrate that at least one of the eligible wood waste streams is being used. Applicants unable to demonstrate that the wood waste meets the eligibility criteria cannot be accredited. Applicants using multiple energy sources will only be accredited for, and able to create RECs in respect of, the renewable energy sources for which eligibility can be demonstrated. Applicants should review the Regulations for information on the eligibility of wood waste (see Regulation 8 for more details). The Regulations may be supplemented with information by the ORER from time to time.

Where the power station uses a combination of wood waste and biomass, applicants are requested to review the ORER's methodology for determining the eligible output of the power station. Applicants are asked to advise the ORER if they agree to using the ORER methodology for calculating REC eligibility. The ORER may agree to consider alternative methodologies, but retains the right to require the power station to use the ORER methodology.

Similarly, where the power station uses biomass based components of municipal solid waste to generate electricity, applicants are requested to review the ORER's methodology for determining the eligible output of the power station. Applicants are asked to advise the ORER if they agree to using the ORER methodology for calculating REC eligibility. Again, the ORER may agree to consider alternative methodologies, but retains the right to require the power station to use the ORER methodology.

11b) If generating electricity from energy crops, applicants must prove that the fuel complies with the provisions in Regulation 9. That is, biomass from a plantation will only be considered an energy crop if:

- it is a product of a harvesting operation (including thinnings and coppicing) approved under relevant Commonwealth, State or Territory planning and approval processes
- it is from a plantation that is managed in accordance with either a code of practice approved for a State under regulation 4B of the Export Control (Unprocessed Wood) Regulations, or Australian Standard *AS 4708—2007 — The Australian Forestry Standard*.
- it has been taken from land that was not cleared of native vegetation after 31 December 1989 to establish the plantation.

Note that for section 17 of the Act, biomass from a native forest is not an energy crop.

11c) If generating electricity in a storage hydro power station, please provide sufficient information to give the ORER a sound overview of the scheme and its normal operations. For example, a map outlining the complete scheme showing full supply levels, other power stations within the group, location of pumps, metering sites, any other loads drawn off prior to metering to assist the ORERs understanding of the clauses in the Regulations which best relate to the scheme.

11d) If generating electricity from landfill gas, please provide detailed maps of the area identifying the location of the power station, other landfill gas cells or power stations in the area, any gas or electrical interconnections between generators and landfill gas cells.

**Section F: Metering Details**

12) Power stations must meter electricity output to be eligible for accreditation.

13) and 14) The following table provides generic examples of acceptable metering for determining the eligible electricity generated by the power station, subject to meters conforming to the relevant National Electricity Market (NEM) or other jurisdictional standards. Applicants will be advised as soon as possible if metering arrangements do not meet the ORER requirements for determining eligible electricity. The acceptability of the metering arrangements will be site specific and will depend on the configuration of the power station, power station operating behavior and the fuels used. The ORER reserves the right to require additional/improved metering beyond the suggested examples below based on individual circumstances.

<b>DESIRABLE MEASUREMENT ARRANGEMENTS (in order of preference)</b>				
<b>TLEG</b>	<b>FSL</b>	<b>AUX</b>	<b>DLEG</b>	<b>MLF*</b>
1. NEM or jurisdictional standard meter at generator terminals with third party verification	1. Separately metered fossil fuel generation	1. Individual metering of auxiliary loads	1. NEM or jurisdictional standard metering at station gate net of auxiliaries with third party verification	1. Marginal loss factors assigned by AEMO
<i>If not available, then</i>				
2. Jurisdictional standard meter at generator terminals with third party verification	2. Accurate measurement of fossil fuel/renewable input and use of the ORER approved methodology for determining renewable input	2. Initial estimate of auxiliary loads until metering installed by generator	2. NEM or jurisdictional standard metering at network connection point remote from station gate	2. MLF equivalents to account for the electricity losses in transmission networks, determined by an authority of the state or territory where the power station is located
<i>If not available, then</i>				
3. Metering system covering all generating	3. Estimated fossil fuel use using an ORER	3. Estimate of auxiliary loads calculated by generator/third	3. Metering at station gate net of auxiliaries and fossil	3. MLF equivalents calculated by generator/third

units in power station	approved methodology	party on behalf of the generator and approved by the ORER	input.	party on behalf of the generator and approved by the ORER
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Generators in the NEM regions will be required to conform to the metering standards specified in the National Electricity Rules (see Chapter 7, available for download at <http://www.aemc.gov.au/rules.php>). The National Electricity Rules set metering specifications for larger power stations, but require smaller power stations to conform to relevant jurisdictional standards.

Power stations in the NEM are required to supply the National Metering Identifier (NMI) which may assist the ORER in assessing the power station’s REC eligibility and in processing the power station’s electricity generation return.

Generators in non-NEM regions seeking accreditation must use metering that enables parties to determine the amount of electricity generated by the power station. Specifically, the metering must contain a device which has a visible or an equivalently accessible display of, at a minimum, the cumulative total energy measured by that metering installation.

15) How the power station’s electricity is dispatched is important in determining a power station’s eligible levels of generation. Power stations that are directly connected to a transmission network to dispatch generated electricity are considered to be transmission connected. The transmission voltage is defined by the relevant jurisdictional authority. For networks in the National Electricity Market, the nominal voltage for transmission networks is 220 kV, however, generally 66 kV and above can also be defined as a transmission network.

A power station is not considered to be transmission connected if all of its generation is distributed within the local distribution network. For example where:

- all of the generation is used on-site (self-generator or co-located generator and user); and/or
- all of the generation is sent to the local distribution network.

Transmission loss adjustment must be taken in to account for a transmission connected power station prior to determining the amount of eligible generation from a power station. Power stations in the NEM are assigned marginal loss factors (MLFs) by AEMO for each financial year. Please indicate the Transmission Network Identifier (TNI) to which the power station is connected and the MLF that has been assigned to the power station for the current financial year.

Where MLFs have not been assigned by AEMO but electricity is dispatched through a transmission network, please indicate the transmission loss factor, or equivalent, calculated for the power station. Details of the transmission loss factor calculation may be required as part of the accreditation process.

16) Any electricity imported on to the site and used in the process of generating electricity must be identified and deducted from eligible generation prior to creating RECs. Where this occurs, the imported electricity should be metered. Auxiliary loads must be metered either separately or via a net meter. If auxiliary loads are not metered, the applicant should consider if and when metering can be upgraded to accurately capture this data. Auxiliary loads are essential to determine the power station's REC eligibility.

17) Please provide the metering details. A power station will not receive accreditation until you provide all of the following for each meter used to calculate the eligible electricity: meter type, manufacturer, model, serial number(s), class and accuracy. For more information refer to Chapter 7 of the National Electricity Rules (available for download at <http://www.aemc.gov.au/rules.php>).

18) The metering point is the physical position where the metering takes place. For example, for dispatched electricity, applicants must disclose whether the metering position is on the low or high voltage side of the transformer. For auxiliary and other electrical usage, applicants should advise whether this is metered by a master meter or through sub-meters at the auxiliary equipment.

Applicants must attach a line diagram of the power station metering arrangements. The line diagram should clearly show the location of all of the meters within the power station that are used to measure electricity exports, imports and auxiliaries.

19) Applicants must provide details of the electricity generation process, specifically the generation voltage and how it is stepped up or down for feeding into an electrical network (distribution or transmission) or onsite consumption.

20) Applicants must provide details of the buyer of electricity generated at the power station, where appropriate.

21) Provide details of the location where the electricity is fed from the revenue/tariff meter into a distribution or transmission network, where appropriate. Include the name of the suburb where this occurs and also provide details of a recognisable landmark that can be used to identify the specific location.

### **Section G: REC Methodology**

22) Please detail the proposed methodology for calculating the eligible renewable energy generated by the power station for the purpose of creating RECs. Include how the previously described meters will be used within this methodology.

The Regulations specify the point at which electricity is nominally measured for determining the REC eligibility. This is expressed in the form of a general formula. The formula in Regulation 14 is used to determine the amount of electricity that is eligible for RECs. Alternatively, the formula can be simplified if metering takes place after auxiliary losses have occurred. For example, the amount of electricity eligible for RECs from a 100% renewable energy facility may be determined by multiplying the DLEG amount (which is net of all auxiliaries) by the marginal loss factor (MLF) for the power station.

In other words, the power station's REC entitlement = (exported electricity when generating – all imported electricity) x MLF. This approach to the calculation will result in the same number of RECs as if each of the formula's components has been measured.

On the other hand, the application of the formula can be complicated where the power station co-fires eligible and ineligible energy sources. The ORER's standard calculation methodologies may be necessary to determine the amount of eligible electricity from a power station.

The form provides simplified examples. The ORER website provides specific methodologies for determining the eligible output when co-firing biomass with coal and when using municipal solid waste. For more information contact the ORER accreditation officer who will help you develop a REC methodology for your power station.

### **Section H: Approval Details**

23) and 24) Applicants must comply with all environmental and planning requirements at a Commonwealth, State, Territory and local government level to be eligible to participate in the RET. Some energy sources, such as biomass from forestry operations, face further restrictions as outlined in the Regulations. Details of these restrictions can be obtained from the ORER.

Power stations must operate in accordance with any Commonwealth, State, Territory or local government regulations. The application must demonstrate that the power station complies with all relevant approval processes. This may include a licence to generate electricity, local council, State or Territory and Commonwealth approvals, including clearance from an Environmental Impact Assessment.

Applicants should provide the following types of information:

- conditions of approval;
- proof of compliance;
- authority for any actions; and
- contact officer details etc.

Where power stations have been operating for some time and records of these approvals were not required or cannot be located, the applicant should contact the Regulator and discuss the circumstances. Applicants may be requested to provide a letter from the local/jurisdictional Government stating that the power station is approved for operation.

25) An objective of the RET is to ensure that renewable energy sources are ecologically sustainable.

The applicant should detail all approvals related to ecological sustainability that the power station has obtained, including approval start and expiry dates. You should attach relevant copies of each approval to your application in order for your application to be assessed.

26) If the energy source is harvested you must describe the processes and approvals under which the harvesting was approved.

### **Section I: Generation Details**

The data requested in this section of the application form is essential for the Regulator to determine the 1997 eligible renewable power baseline (baseline) for the power stations. Parties seeking accreditation of a power station must make available to the Regulator all information that is reasonably required to establish a baseline. Parties not making this information available will not be accredited.

All renewable energy power stations will be assigned a baseline. The power station's baseline will depend on when the power station commenced operating.

Power stations which generated electricity for the first time post 1 January 1997 will receive a baseline of zero.

For power stations generating electricity for the first time prior to 1 January 1997, a baseline will be determined through a range of baseline approaches depending on the particular circumstances of the power station. Guidelines for determining the baseline for a power station are available in Schedule 3 of the Regulations.

For example, a power station may receive a default baseline (the average of the annual electricity generated from eligible renewable energy sources in 1994, 1995 and 1996) if there is data of sufficient quality available and the generation from the power station in those years is representative of normal operation.

However, if the output of the power station did not generate electricity continuously over the 1994, 1995, and 1996 reference period, applicants will, in consultation with the Regulator, be required to model generation, internal usage and external export over the default period. Additionally, if data sets are not complete, the Regulator may either: extrapolate the measurement of the electricity generated; or, in consultation with the registered person for the power station, model the output of the station over the months in which electricity was not generated. Power stations which commenced generating after 1994 but before 1997 (i.e. have an incomplete data set) will have the missing months/years data completed prior to setting a baseline.

The Regulator may also determine that, for a power station applying for a default baseline, the data provided is not indicative of its usual generating pattern and may require the applicant to provide more information. Your baseline may also be set over a longer period if the capacity of your plant changed or the Regulator determines that the operating, environmental or other constraints affected the electrical output of your power station during the reference period. If you wish to have a special baseline applied to your power station you must address the criteria set out in Questions 23 to 26 of the application form.

Where a party seeking accreditation feels that a more statistically representative period should be considered in determining their baseline, they can make an application to the

Regulator outlining the grounds for a special baseline being applied and the more statistically representative period.

27) Applicants must provide details of when the power station commenced (or will commence) generating electricity for the first time. This may be subject to investigation by the ORER.

28) This question asks if the power station is part of a group of interconnected power stations. This question applies where a power station in a group is able to use a particular supply of eligible renewable energy source, in accordance with section 30D of the Act.

29) Applicants must nominate a baseline period over which they are seeking to have their baseline determined. Applicants have two options:

- nominate a default baseline of the period 1994-1996; or
- nominate an alternate period for which the applicant considers a baseline could be calculated.

The Regulator, in determining eligibility for accreditation, can seek to alter the period over which a baseline is calculated if it is considered necessary. If this occurs, and more information is required by the Regulator to determine if a different baseline period should apply, applicants would be asked to provide this information to the Regulator. Applicants who do not provide this information can be denied accreditation.

30) Where an applicant is nominating a baseline period, the generation patterns in these years must be representative of normal business practice. If generation patterns in these years are not representative of normal business practice, the applicant must outline why the generation pattern in those years was unusual.

Applicants, or the Regulator, can nominate a baseline period covering other years which may or may not include the years 1994-96. This is known as a 'special baseline'. Further information about special baselines is available in Schedule 3(3) of the Regulations.

31) Applicants will be required to provide actual metered data to support baseline calculations where possible. However, where one of the following situations occur, the Regulator may require that the data be extrapolated or modelled to determine the amount of electricity which should be considered in baseline calculations:

- metering measuring generation and consumption data relevant to the baseline was not installed or of insufficient quality; or
- the power station did not generate electricity continuously; or
- the power station altered capacity during 1994, 1995 and 1996.

Where one of these situations occur, the methodology used to model baseline input information will be subject to review by the Regulator. Applicants must be able to substantiate all assumptions used in the modelling exercise and must disclose to the Regulator who performed the modelling exercise. The Regulator may also wish to

discuss the modelling with the person completing the modelling. To this end, contact details must be provided.

32) Applicants should provide an estimate of the baseline that they feel should apply for the power station for which they are seeking accreditation.

**Section J: Projections**

33) Please provide information on the amount of electricity you expect will be generated from each of the renewable energy sources utilised in the power station.

34) Indicate all changes in capacity (either increase or decrease) forecast for the period of operation of the power station. If the power station is already in existence, include all past changes in capacity.

35) Please provide an estimate of the total projected cost of the power station.

**Section K: Declaration**

Have you missed anything? Before you sign, ensure you have completed all the sections in the application and provided all required information.

All stakeholders must sign this application form agreeing to nominate a single person/company to create RECs and receive the unique power station accreditation code.

If the power station has multiple owners and/or operators, please contact the ORER for an appropriate copy of the Section K which allows all stakeholders to sign the Declaration.