

Greenhouse Gas Reduction Scheme Transition Review  
Department of Water and Energy  
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SYDNEY NSW 2001  
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Dear Sir / Madam

Delta Electricity welcomes the opportunity to comment on the Department of Water & Energy's *Transitional Arrangements for the NSW Greenhouse Gas Reduction Scheme, Consultation Paper*, released on 1 April 2008.

As a member of the National Generators Forum (NGF), Delta endorses the views expressed in their submission. In this submission we highlight the issues of particular concern to Delta Electricity.

#### **Section 4.2.1 – Fossil-fuel generators**

The consultation paper proposes two methodologies for compensating participants in the GGAS scheme. The first is through the potential allocation methodology that compensates for introduction of an emissions trading scheme and the second relies on recycled revenue from the auctioning of permits under the emissions trading scheme. Both options rely on the support of the Federal government.

Delta Electricity agrees that the most efficient solution to providing transitional compensation is to access any transitioning mechanisms put in place by the federal government. However we also believe that the NSW government is responsible to provide its own guarantee should the federal government fail to adopt either of the suggestions outlined in the consultation paper.

This guarantee should take the form of a simple and transparent compensation plan backed by the NSW government. Modelling of expected future NGAC revenues should form the basis of this plan which should cover the two year period from 2010-2012.

#### **Section 4.2.2 – Waste Coal Mine Methane**

Delta Electricity supports the proposed treatment of waste coal mine methane projects outlined in the transition consultation paper. However, we again note that the only proposed option relies on federal government cooperation in the design of



their emissions trading scheme and their transitional arrangements. The NSW government, as the architect of the GGAS scheme is responsible for guaranteeing the financial commitments made by participants under the scheme.

#### **Section 4.4 – New Accreditations**

Delta Electricity supports the option proposed in the consultation paper to allow accreditation to proceed as normal until the end of the scheme. However transitional assistance should not be limited to those projects with accreditation applications lodged by 1 September 2008. In determining if a project is eligible for transition assistance the NSW government should take into account *the project commitment date*. NEMMCO's committed project criteria are a standard measure within the electricity industry and are appropriate for this application.

Delta Electricity welcomes further opportunities to interact with the NSW Government on these issues. If you wish to discuss this submission further please contact Peter Wormald, 02 9285 2425, or via email ([peter.wormald@de.com.au](mailto:peter.wormald@de.com.au)).

Yours Sincerely

  
Greg Everett  
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