

## **ELECTRICITY GENERATION AND RETAIL CORPORATION TRADING AS SYNERGY**

### **PROCEDURE FOR CRP METHODOLOGY, CARBON REFERENCE PRICE AND CARBON PRICE**

#### **1. SCOPE**

This procedure is made pursuant to clause 5.4 of the *Electricity (Standard Products) Wholesale Arrangements 2014* (WA) as amended from time to time (the **SP Arrangements**).

#### **2. CRP METHODOLOGY**

2.1 Except as otherwise expressly provided in a SP Agreement, the Carbon Reference Price for each Standard Product in relation to electricity supplied under a Transaction during the period on and from 1 July 2015 shall be:

- (a) the price set in accordance with clause 2.2 of this procedure; or
- (b) if the GHG Scheme set out in the CEA is not in effect, the amount of \$0.

2.2 Subject to clause 4 of this procedure, the Carbon Reference Price for the purposes of clause 2.1 shall be, in respect of each Billing Period:

- (a) the most recent average auction charge (in \$ per tonne of carbon dioxide equivalent Greenhouse Gas), for the Financial Year in which that Billing Period occurs that can be determined in accordance with the calculation set out in section 114(3) of the CEA; or
- (b) the average price (in \$ per tonne of carbon dioxide equivalent Greenhouse Gas) that Synergy will, acting reasonably, incur in purchasing On Market the volume of Eligible Emissions Units required to acquit a Relevant Carbon Liability for that Billing Period, as determined by Synergy and notified to each Trader within 7 days of the end of each Billing Period.

#### **3. FIXING OF CARBON PRICE AND CARBON REFERENCE PRICE**

The Carbon Price and Carbon Reference Price will become fixed in respect of a Standard Product by applying:

- (a) the Carbon Emissions Factor published in respect of that Standard Product in accordance with clause 5.1(b) of the SP Arrangements; and
- (b) during the period commencing on 1 July 2014 and ending on 30 June 2015, the Carbon Reference Price determined in the manner and at the time specified in clause 6.4 of Schedule 3 of the SP Agreement; or
- (c) during the period on and from 1 July 2015, the Carbon Reference Price determined in the manner and at the time specified in clause 2.2 of this procedure.

#### **4. AMENDMENT**

The Commonwealth Government has proposed the repeal of the CEA and its associated Acts and regulations. The full nature, timing, scope and impact of any such repeal is not yet known. Synergy may amend this procedure (including the Carbon Reference Price that may apply to Standard Products) to reflect any such repeal or otherwise as Synergy requires from time to time, provided that this procedure continues to comply with the SP Arrangements. Such amendments shall take effect from the time that the revised procedure is published on the Synergy SP Website.

5. **DEFINITIONS**

Capitalised terms used in this procedure which are not defined below have the meaning given to them in the SP Agreement between Synergy and each Approved Counterparty.

**Approved Counterparty** has the meaning given to it in the SP Arrangements.

**Eligible Emissions Units** has the meaning given to it in the SP Arrangements.

**On Market** has the meaning given to it in the SP Arrangements.

**Relevant Carbon Liability** has the meaning given to it in the SP Arrangements.

**SP Agreement** has the meaning given to it in the SP Arrangements.

**Synergy** means Electricity Generation and Retail Corporation trading as Synergy established under the *Electricity Corporations Act 2005 (WA)*.