



Clean Energy Legislation Amendment (2014 Measures No. 1) Regulation 2014

Select Legislative Instrument No. 179, 2014

I, General the Honourable Sir Peter Cosgrove AK MC (Ret'd),
Governor-General of the Commonwealth of Australia, acting with the
advice of the Federal Executive Council, make the following regulation.

Dated 27 November 2014

Peter Cosgrove
Governor-General

By His Excellency's Command

Greg Hunt
Minister for the Environment

OPC60747 - B

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No. 179, 2014

*Clean Energy Legislation Amendment (2014 Measures No. 1)
Regulation 2014*

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1 Name

This is the *Clean Energy Legislation Amendment (2014 Measures No. 1) Regulation 2014*.

2 Commencement

This instrument commences on the day after it is registered.

3 Authority

This instrument is made under the following Acts:

- (a) the *Clean Energy Act 2011*;
- (b) the *Renewable Energy (Electricity) Act 2000*.

4 Schedules

Each instrument that is specified in a Schedule to this instrument is amended or repealed as set out in the applicable items in the Schedule concerned, and any other item in a Schedule to this instrument has effect according to its terms.

Schedule 1—Amendments

Part 1—Main Amendments

Clean Energy Regulations 2011

1 At the end of Part 14

Add:

14.5 Record keeping—true-up shortfalls

- (1) For subsection 227(1) of the Act, this regulation applies if a designated person for item 351 of Schedule 1 to the *Clean Energy Legislation (Carbon Tax Repeal) Act 2014* (the **Repeal Act**):
 - (a) gives a written report to the Regulator for the purposes of Part 4 of Schedule 1 to the Repeal Act; or
 - (b) in connection with the written report, gives further information to the Regulator in accordance with the rules made under item 359 of the Repeal Act.
- (2) When the person gives the report or the further information to the Regulator, the person must make a record of every source document for the report or information.
- (3) For subregulation (2), a **source document** is a document that verifies the information given to the Regulator in, or in connection with, the report or the further information.
- (4) The person must keep each record for 5 years after the record is made.

Note: See section 227 of the Act for the penalty that applies to a person who contravenes this regulation.

2 After paragraph 337(4)(c) of Schedule 1

Insert:

- (ca) is not a relevant product for the emissions-intensive trade-exposed activity of the production of ferrovanadium;
and

3 Paragraph 352(1)(b) of Schedule 1

Repeal the paragraph, substitute:

- (b) has a fixed carbon content equal to or more than 92% after production.

4 Paragraph 352(4)(b) of Schedule 1

Repeal the paragraph, substitute:

- (b) has a fixed carbon content equal to or more than 92% after production; and

5 At the end of Part 3 of Schedule 1

Add:

Division 53—Production of ferrovanadium

- 353
- (1) The production of ferrovanadium is the chemical and physical transformation of magnetite ore, combined with soda ash and other chemicals, to produce saleable ferrovanadium with a vanadium content equal to or more than 75%.
 - (2) The production of ferrovanadium is specified as an emissions-intensive trade-exposed activity.
 - (3) The production of ferrovanadium is a highly emissions-intensive activity.
 - (4) The basis for the issue of free carbon units for the production of ferrovanadium is by a tonne of 100% equivalent vanadium concentrate contained within ferrovanadium, in which the concentration of vanadium is equal to or more than 75%, which:
 - (a) is produced by carrying on the emissions-intensive trade-exposed activity; and
 - (b) is not a relevant product for the emissions-intensive trade-exposed activity of the production of magnetite concentrate; and
 - (c) is of saleable quality.

Note: *Saleable quality* is explained in Part 2.

- (5) In this Division:

magnetite ore means ore containing Fe₃O₄ and mineralised vanadium compounds.

Division 54—Rendering of animal by-products

- 354 (1) The rendering of animal by-products is the chemical and physical transformation of raw livestock-derived animal material into processed animal protein meal with a moisture content that does not exceed 10% by weight and tallow with a moisture content that does not exceed 4% by weight.

Note: Examples of processed animal protein meal include meat and bone meal, dried blood meal and feather meal.

- (2) The rendering of animal by-products is specified as an emissions-intensive trade-exposed activity.
- (3) The rendering of animal by-products is a moderately emissions-intensive activity.
- (4) The basis for the issue of free carbon units for the rendering of animal by-products is by a tonne of processed animal protein meal with a moisture content that does not exceed 10% by weight, which:
- (a) is produced by carrying on the emissions-intensive trade-exposed activity; and
 - (b) is of saleable quality.

Note: **Saleable quality** is explained in Part 2.

6 Subclause 401(1) of Schedule 1 (after table item 1.35)

Insert:

1.36	Production of ferrovanadium	100% equivalent vanadium concentrate contained within saleable ferrovanadium	49.3	58.7	n/a
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7 Subclause 401(1) of Schedule 1 (after table item 2.16)

Insert:

2.17	Rendering of animal by-products	Processed animal protein meal of saleable quality	0.440	0.248	n/a
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8 After subclause 702(1C) of Schedule 1

Insert:

(1D) Despite paragraph (1)(c), applications for the years ending 30 June 2013 and 30 June 2014 relating to an activity mentioned in the following must be given to the Regulator not later than 31 December 2014:

- (a) Division 53 of Part 3 (production of ferrovandium);
- (b) Division 54 of Part 3 (rendering of animal by-products).

9 After subclause 902(2) of Schedule 1

Insert:

(2A) However, for an application for the year ending 30 June 2014 relating to an activity mentioned in Division 53 or 54 of Part 3, the adjustments mentioned in sub-subparagraphs (2)(a)(i)(C) and (D) that would be made if there were an application in respect of the same activity and the same facility or facilities for the financial year 2014-15, must be made in relation to the financial year 2013-14.

Note: The activities mentioned in Divisions 53 and 54 of Part 3 are the production of ferrovandium and the rendering of animal by-products.

10 Subclause 906(3) of Schedule 1

Omit all the words after “907(7)”, substitute “or (7A)”.

11 At the end of clause 906 of Schedule 1

Add:

(4) For an application for the years ending 30 June 2013 and 30 June 2014 relating to an activity mentioned in the following, AP^{ia}_t is worked out using the formula in subclause 907(7A):

- (a) Division 53 of Part 3 (production of ferrovandium);
- (b) Division 54 of Part 3 (rendering of animal by-products).

12 After subclause 907(7) of Schedule 1

Insert:

- (7A) However, for subclauses 906(3) and (4), AP_t^{ia} is worked out using the formula:

$$AP_t^{ia} = P_t^{ia}$$

where:

P_t^{ia} is the amount or volume of the relevant product produced in the financial year to which the application relates.

13 After subclause 912(5) of Schedule 1

Insert:

- (5A) However, if using the formula in subclause (4) would result in a negative allocation of free carbon units, the number of carbon units required to be issued is reduced by the amount of carbon units allocated for EI_{t-1}^a , mentioned in subclause 907(5), as if EI_{t-1}^a were zero.

14 After subclause 1206(1) of Schedule 1

Insert:

- (1A) However, subclause (1) does not apply if the following financial year begins on or after 1 July 2013.

Renewable Energy (Electricity) Regulations 2001

15 After paragraph 715(c) of Schedule 6

Insert:

- (ca) is not a relevant product for the emissions-intensive trade-exposed activity of the production of ferrovandium;
and

16 Paragraph 752(1)(b) of Schedule 6

Repeal the paragraph, substitute:

- (b) has a fixed carbon content equal to or more than 92% after production.

17 Paragraph 754(b) of Schedule 6

Repeal the paragraph, substitute:

- (b) has a fixed carbon content equal to or more than 92% after production; and

18 At the end of Schedule 6

Add:

Part 53—Production of ferrovanadium

Division 1—Production of ferrovanadium

755 Production of ferrovanadium

- (1) The production of ferrovanadium is the chemical and physical transformation of magnetite ore, combined with soda ash and other chemicals, to produce ferrovanadium with a vanadium content equal to or more than 75%.
- (2) The production of ferrovanadium is specified as an emissions-intensive trade-exposed activity.
- (3) In this regulation:

magnetite ore means ore containing Fe₃O₄ and mineralised vanadium compounds.

Division 2—Classification of activity

756 Classification of activity

The production of ferrovanadium is a highly emissions-intensive activity.

Division 3—Electricity baseline for calculating partial exemption

757 Electricity baseline for product

The electricity baseline for calculating the amount of a liable entity's partial exemption in respect of the production of

ferrovanadium is 58.7 MWh per tonne of 100% equivalent vanadium concentrate contained within ferrovanadium, in which the concentration of vanadium is equal to or more than 75%, which:

- (a) is produced by carrying on the emissions-intensive trade-exposed activity; and
- (b) is not a relevant product for the emissions-intensive trade-exposed activity of the production of magnetite concentrate; and
- (c) is of saleable quality.

Note: *Saleable quality* is defined in regulation 22C.

Part 54—Rendering of animal by-products

Division 1—Rendering of animal by-products

758 Rendering of animal by-products

- (1) The rendering of animal by-products is the chemical and physical transformation of raw livestock-derived animal material into processed animal protein meal with a moisture content that does not exceed 10% by weight and tallow with a moisture content that does not exceed 4% by weight.

Note: Examples of processed animal protein meal include meat and bone meal, dried blood meal and feather meal.

- (2) The rendering of animal by-products is specified as an emissions-intensive trade-exposed activity.

Division 2—Classification of activity

759 Classification of activity

The rendering of animal by-products is a moderately emissions-intensive activity.

Division 3—Electricity baseline for calculating partial exemption

760 Electricity baseline for product

The electricity baseline for calculating the amount of a liable entity's partial exemption in respect of the rendering of animal by-products is 0.248 MWh per tonne of processed animal protein meal with a moisture content that does not exceed 10% by weight, which:

- (a) is produced by carrying on the emissions-intensive trade-exposed activity; and
- (b) is of saleable quality.

Note: *Saleable quality* is defined in regulation 22C.

Part 2—Application and transitional provisions

Clean Energy Regulations 2011

19 After Part 23

Insert:

Part 24—Application and transitional provisions

24.1 Amendments made by the *Clean Energy Legislation Amendment (2014 Measures No. 1) Regulation 2014*

The amendments of these Regulations made by items 3 and 4 of Schedule 1 to the *Clean Energy Legislation Amendment (2014 Measures No. 1) Regulation 2014* apply in relation to the following applications for the issue of free carbon units in respect of the production of coal char:

- (a) an application made, but not finally determined, before the commencement of this regulation;
- (b) an application made on or after the commencement of this regulation.

Renewable Energy (Electricity) Regulations 2001

20 After Part 8

Insert:

Part 9—Application and transitional provisions

50 Amendments made by the *Clean Energy Legislation Amendment (2014 Measures No. 1) Regulation 2014*

The amendments of these Regulations made by items 16 and 17 of Schedule 1 to the *Clean Energy Legislation Amendment (2014 Measures No. 1) Regulation 2014* apply in relation to the following applications for the issue of partial exemption certificates in respect of the production of coal char:

- (a) an application made, but not finally determined, before the commencement of this regulation;
- (b) an application made on or after the commencement of this regulation.