



Ministry for the
Environment
Manatū Mō Te Taiao

Supplementary Industrial Allocation Guide to Data Collection

Multiple Products

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Section 1: Introduction

On 26 March 2010, the Ministry for the Environment published *Industrial Allocation Guide to Data Collection* (the Guide). This was to help firms comply with the requirements of a Gazette Notice, issued under section 161D of the Climate Change Response Act 2002 (the Act). The Notice requires information about activities to be submitted for the purposes of determining eligibility for allocation and the baselines for subsequent allocations. The Guide applies to all activities.

This supplementary guide (the Supplementary Guide) provides extra guidance in relation to activities for which more than one product (basis of allocation) is specified in the Gazette Notice. In particular, the Supplementary Guide provides guidance to firms on apportioning their emissions between each of the products specified. All the terms used in the Supplementary Guide are consistent with the terms defined and used in the Guide. Firms should use the Supplementary Guide in conjunction with the Guide when completing their Data Forms, Bases of Preparation and Declaration.

This Supplementary Guide is designed to help firms comply with the requirements of the Gazette Notice when completing the documents required by that Notice. It does not take precedence over the Notice itself, or any other associated legislation.

Section 2: Allocative baseline

For some activities, more than one allocative baseline will be defined in the Gazette Notice as the basis for allocation. For example:

- if an activity produces more than one product, and total emissions differ depending on the relative production levels of those separate products, one or more allocative baselines may be developed for each product
- if an activity has an initial stage which may not be performed by some firms, then a sub-allocative baseline approach may be adopted where units are awarded based on the outputs from each stage.

Section 3: Production, sales and revenue data – data entry

The guidance provided below relates specifically to the data entry requirements where an activity has more than one product (basis of allocation) specified in the Gazette Notice. Firms should also refer to the general guidance provided in the Guide for completing the boxes in the *Production, sales and revenue* tab in the Data Form.

Box 11: Units produced of product (basis of allocation)

Enter into Box 11 the product (basis of allocation) units produced during each specified financial year for each product (basis of allocation) specified in the Gazette Notice. There is a separate row for each product (basis of allocation).

Section 4: Emissions data – data entry

The guidance provided below relates specifically to the data entry requirements where an activity has more than one product (basis of allocation) specified in the Gazette Notice. Firms should also refer to the general guidance provided in the Guide for completing the boxes in the *Emissions* tab in the Data Form.

There is a separate *Emissions* tab in the Data Form for each specified product (basis of allocation). The *Emissions* tabs are labelled *Emissions (Product a)*, *Emissions (Product b)* and so on, where ‘product a’ relates to the first product (basis of allocation) specified in the Gazette Notice, ‘product b’ to the second product (basis of allocation) specified, and so on.

In addition, there is a separate co-generation tab in the Data Form for each co-generation plant. The co-generation tabs are labelled *Co-generation (Plant 1)*, *Co-generation (Plant 2)*, and so on.

Boxes 19–53: Fuel combustion emissions (excluding those from co-generation)

In the *Emissions (Product a)* tab of the Data Form, enter the quantities of fuel used or combusted associated with the first product (basis of allocation) specified in the Gazette Notice for each specified financial year in Boxes 19 to 53. As noted in the Guide, only fuel used directly or combusted should be entered into the *Emissions* tab of the Data Form. Fuel used to produce heat/steam and electricity from a co-generation plant should be entered into the *Co-generation* tabs of the Data Form (see below).

Where an activity has more than one product (basis of allocation) specified in the Gazette Notice, firms are required to apportion fuel combustion emissions between each product (basis of allocation). Where this cannot be clearly measured on the basis of fuel use or heat requirement of the processes that result in the individual products, firms should apply reasonable estimates and transparent assumptions. The approach used should be clearly disclosed in the Bases of Preparation (in Section 4.1, under Boxes 19 to 53 as appropriate).

The sum of emissions apportioned to each product (basis of allocation) of an activity with multiple products must not exceed the total emissions for the activity.

Boxes 54–55: Electricity emissions

Enter into Box 54 the electricity bought in and used as part of the activity by the relevant product.

Box 55 will be automatically entered once the relevant *Co-generation* tabs in the Data Form have been completed (see below).

Co-generation emissions

There is a separate tab for each co-generation plant, labelled *Co-generation (Plant 1)*, *Co-generation (Plant 2)*, and so on. Data for co-generation ‘plant 1’ should be entered into the *Co-generation (Plant 1)* tab, data for ‘plant 2’ should be entered into the *Co-generation (Plant 2)* tab, and so on. The name and location of each co-generation plant should be entered into the relevant cell at the top of each *Co-generation* tab. These tabs only need to be completed by firms using co-generation plant(s).

Enter into Boxes 19 to 53 of each *Co-generation* tab the amount of fuel used to produce heat/steam and electricity by the co-generation plant.

Enter into Box 55 of each *Co-generation* tab the electricity generated by the co-generation plant that is used as part of the activity. There is a separate row for each product (basis of allocation). Where this cannot be clearly measured on the basis of electricity consumption of the processes that result in the individual products, firms should apply reasonable estimates and transparent assumptions. The approach used to apportion electricity generated between each product (basis of allocation) should be clearly disclosed in the Bases of Preparation (in Section 4.2.1, under the first question). The amount of electricity generated by co-generation plant(s) that is used by each product (basis of allocation) is automatically calculated and entered into the relevant row of the *Emissions* tabs for each product (basis of allocation).

Enter into Box 56 of each *Co-generation* tab the electricity generated by the co-generation plant that is not used as part of the activity.

Enter into Box 57 of each *Co-generation* tab the steam output from the co-generation plant that is used by each product (basis of allocation). There is a separate row for each product (basis of allocation). Where this cannot be clearly measured on the basis of heat requirement of the processes that result in the individual products, firms should apply reasonable estimates and transparent assumptions. The approach used to apportion steam output between each product (basis of allocation) should be clearly disclosed in the Bases of Preparation (in Section 4.3, in the first box under the sub-title *Boxes 57–58 in the Emissions tab*).

Enter into Box 58 of each *Co-generation* tab the steam output from the co-generation plant that is not used as part of the activity.

The *Co-generation* tabs calculate the steam emissions from the co-generation plant for each product (basis of allocation). This will be automatically entered into the relevant row of the *Emissions* tabs for each product (basis of allocation).