

2 April 2015

GreenPower Program Review  
Public Consultation Paper

By email: [greenpower.admin@trade.nsw.gov.au](mailto:greenpower.admin@trade.nsw.gov.au)

Dear Sir/ Madam,

### **GreenPower Program Review Submission**

Thank you for the opportunity for Hydro Tasmania to provide a submission to the GreenPower Program Review, Public Consultation Paper.

Hydro Tasmania is the largest renewable energy generator in Australia, producing approximately 10,000GWh of renewable energy per annum<sup>1</sup>. We are an integrated energy business providing retail energy products, consulting services and are a material participant in the National Electricity Market (NEM). Hydro Tasmania owns Momentum Energy a Victorian based GreenPower accredited electricity and gas retailer.

In addition to our Tasmanian hydropower assets, we own 25% of the Woolnorth and Musselroe wind farms in Northern Tasmania. These wind farms have a combined capacity of 308MW.

Hydro Tasmania supports the continuation of the GreenPower Program for the reasons that: it empowers customers to make choices about the type of energy they purchase and the levels of renewable energy generation they support; and subsequently aids the transition over time to a low emissions energy sector. We believe that a key focus of this review should be on clarifying the messaging of GreenPower and that the review should ensure that GreenPower costs to consumers are minimised in order to make the product as competitive as possible.

Hydro Tasmania notes that:

*“The aim of the Review is to ensure the optimal performance of the GreenPower Program so that it maintains its relevance and effectiveness in a changing policy environment and market context. The Review is examining the governance, funding, program rules, and marketing and promotions of the GreenPower Program. The Review will seek to identify a sustainable long-term governance and operating model for the Program.”*

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<sup>1</sup> Hydro Tasmania produces approximately 9000GWh per annum. Woolnorth Wind Farm Holding, in which Hydro Tasmania is a joint venture partner, produces approximately 1000GWh per annum.

As the paper notes, the attractiveness of GreenPower to electricity customers is strongly affected by the external policy environment including Commonwealth Government policies on renewable energy and greenhouse gas emissions reduction. Hydro Tasmania believes that this review provides an opportunity to refocus the GreenPower program and, where possible, to simplify both its messaging and its objectives.

The context in which GreenPower operates has continually changed as the Renewable Energy Target (RET) and policies around emissions reductions have been introduced, amended or repealed. Understanding this is central to interpreting recent customer behaviours and perceptions of GreenPower. In addition, recent increases in electricity prices have understandably impacted on customer behaviours. The paper's observation that: *"Falling customer numbers and GreenPower sales indicate that the Program is not as attractive to consumers as it once was"* must be interpreted through these recent policy and pricing dynamics.

Hydro Tasmania recommends that the review strongly refocus on the central mechanism of GreenPower. This is: to drive the further deployment of renewable energy by creating additional demand for Large-scale Generation Certificates beyond that required by Commonwealth Government targets. As the paper notes, additionality is central to the value proposition of GreenPower. Additionality must be demonstrable both in terms of renewable energy and reductions in greenhouse gas. All aspects of GreenPower products including marketing, key messages and customer offerings must link back to this.

Hydro Tasmania is a member of the Clean Energy Council and, through Momentum Energy, is a member of the Energy Retailers Association of Australia. We support the comments and issues raised in those submissions.

Should you have any queries or require further information, please contact Mr Colin Wain (email: [colin.wain@hydro.com.au](mailto:colin.wain@hydro.com.au) or telephone: 03 6230 5661).

Yours sincerely

A handwritten signature in black ink, appearing to read 'Colin Wain', with a long horizontal stroke underneath.

Colin Wain  
Policy Development Manager  
Hydro Tasmania