

# **Summary of structural reforms suggested for GreenPower to work as a product.**

27 March 2015

## **Governance**

- The Federal Government should assume overall responsibility for the success of GreenPower in Australia. As the Jurisdiction that makes the legislation and accounting frameworks it should also accept the responsibility to ensure that the GreenPower rules are consistent with legislation and integrated with climate and renewables policy.
- The National GreenPower Steering Group should be an independent committee supported by the Federal Government to serve the best interests of the GreenPower program and GreenPower customers.
- The National GreenPower Steering Group should include representation of GreenPower customers.

## **Renewable Energy (Electricity) Act (2000)**

- The Act should be amended to describe that the following attributes are attached to Large-scale Generation Certificates for trading in GreenPower accredited electricity contracts to support the allocation to GreenPower Customers
  - Renewable Energy Use
  - Reduced greenhouse gas emissions (zero scope 2 emissions and scope 3 emissions as defined by life cycle assessment).

## **National Greenhouse and Energy Reporting Act (2007) and related framework and NGER Determination**

- The methodology for allocating end use emissions to electricity customers should be amended to provide for contractual accounting
  - GreenPower customers should be allocated zero scope 2 emissions
    - Scope 3 emissions allocated to GreenPower customers should be related to those associated with Renewable Energy
  - Renewable energy from old pre 1997 renewable power systems should also be able to be purchased by customers for zero scope 2 emissions. This would not be GreenPower, but would establish a formal place in the market for the Momentum Energy SmilePower product and potentially for old Snowy hydro-electric power (NGER is about allocation not additionality)
    - Scope 3 emissions allocated to customers from old renewable power systems relate to those associated with old renewable energy infrastructure.
  - Grid Power emissions should relate to the residual mix of emissions after netting out the impacts of GreenPower and any other contractually based electricity sales products (as per the 2015 GHG Protocol Scope 2 Guidelines)
  - In allocating the residual grid mix emissions standard electricity customers, whole grid factors should be the starting point (such as for the Eastern Australia Grid and the separate South West WA grid), with GreenPower and contractual sales netted out of this mix.

## **National Carbon Offset Standard**

- The National Carbon Offset Standard should properly incorporate GreenPower as a way to reduce emissions associated with electricity use.

## **Achieving 100%**

- The current 15% Renewable Power Percentage (RPP) and any old pre 97 renewables (not sold as low emission electricity) should be the recognised starting point for any GreenPower purchasing to ensure that a 100% GreenPower customer is not forced to pay for 115% renewables.

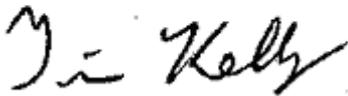
## **GreenPower Pricing Structures**

- GreenPower pricing should be based around the cost of producing and delivering renewable electricity rather than as a penalty above standard electricity.

## **AER and AEMC**

The AER and AEMC should recognise and support the role of GreenPower as a genuine part of the retail electricity market.

Tim Kelly

A handwritten signature in black ink that reads "Tim Kelly". The signature is written in a cursive style with a large initial 'T'.

100% GreenPower customer