



02 April 2015

GreenPower Program Review

By email: greenpower.admin@trade.nsw.gov.au

Submission to GreenPower Program Review Public Consultation Paper

The Clean Energy Council (CEC) welcomes the opportunity to provide a submission to the *GreenPower Program Review Public Consultation Paper*.

The Clean Energy Council is the peak body for the clean energy industry in Australia. We represent and work with hundreds of leading businesses operating in solar, wind, energy efficiency, hydro, bioenergy, energy storage, geothermal and marine along with more than 4000 solar installers.

We are committed to accelerating the transformation of Australia's energy system to one that is smarter and cleaner.

The CEC's submission does not answer all of the questions posed by the consultation paper but concentrates on those that we believe should be the focus of the review going forward.

Program Aims

Generators require significant growth in demand for GreenPower from the current level for it to meaningfully improve the viability of renewable energy generation. GreenPower sales need to increase significantly from current levels for the Program to materially improve the viability of renewable energy generation.

In our view the critical issue is to clarify the definition and additionality of GreenPower. This issue is of paramount importance. It is difficult to take forward many of the other recommendations without first having clarity about what GreenPower is. Key to this is confirming that purchasing GreenPower will:

- a) Support the deployment of additional renewable energy – over and above what will be delivered as a result of other government programs such as the Renewable Energy Target
- b) Deliver additional emission reductions, over and above existing government targets and programs.

Governance

Closer involvement of the federal government and the Clean Energy Regulator (CER) in the governance structure would be desirable. The CER's involvement would require a change to its legislation which may be difficult to achieve and could delay progress in taking GreenPower forward. Therefore this option should only be pursued if it is clear that it can be achieved.

Whatever governance structure is deemed appropriate by the Steering Committee, a stakeholder reference group should be established to ensure their views are more closely considered in the ongoing development of GreenPower.

Funding

There are a range of views across the CEC membership about the funding models put forward in the paper, and the ability for Generators or Providers to pay more to be involved in the scheme. However, there is strong agreement that before the funding model can be considered there needs to be clarity as to what GreenPower is, and in particular its level of additionality. It is clear that there is an interest in providing more resources for central marketing of the GreenPower Program and brand but only once there is clarity about the aims and additionality of GreenPower.

Program Rules

The mechanics of the Program in relation to the participation of large-scale renewable energy generation are adequate and the principle of keeping a high degree of consistency with the Large-scale Renewable Energy Target (LRET) should be retained.

In principle the CEC supports small-scale generation being included in the GreenPower Program (**Recommendation R7**).

Due to the uncapped nature of the SRES and the existence of deeming more work needs to be done to ensure that if STCs are used to support GreenPower that the principle of additionality is ensured.

We note that the consultation paper provides very little detail as to what options are being considered. The Steering Committee should undertake further work and consultation on this issue.

The CEC supports incorporating renewable electricity from the grid into calculations of the percentage of GreenPower (**Recommendation R8**).

This would also allow the GreenPower program to explain more easily to customers what they are supporting – for example, the national renewable energy target is for 20% renewable energy by 2020, if you would like to see a higher level of renewable energy you can purchase GreenPower equal to 25%, 50%, or 100% of your electricity consumption.

The CEC looks forward to being involved in further discussions as the GreenPower Program Review progresses. Please contact me on 03 9929 4113 rmarsh@cleanenergycouncil.org.au if you would like to discuss any aspect of our submission or the Review further.

Yours sincerely

A handwritten signature in black ink that reads "Russell Marsh". The signature is written in a cursive, slightly slanted style.

Russell Marsh
Policy Director