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Dedicated to a better Brisbane

23 March 2015

Mr Gary Eisner
Program Manager
National GreenPower Accreditation Program
NSW Trade and Investment
GPO Box 3889
SYDNEY NSW 2001

Dear Mr Eisner

Brisbane City Council (Council) welcomes the opportunity to provide feedback on the GreenPower Program Review Public Consultation Paper (the Consultation Paper).

Council has invested significantly in initiatives that have reduced its carbon emissions. These include investment in energy efficiency initiatives such as the recent retrofit of 25,000 street lights and the LED lighting upgrade of Brisbane's iconic Story Bridge. Council has installed a number of on-site solar power systems on its own facilities and has been a significant purchaser of carbon offsets (currently 115,000 tonnes of carbon dioxide equivalent per annum) and GreenPower.

Since 2010, Council has purchased 100% GreenPower and is currently the largest GreenPower customer nationally. Each year Council purchases more than 105,000 megawatt hours (MWh) of GreenPower accredited renewable energy.

Council recognises the contribution that GreenPower makes in providing consumer choice for renewable energy products and supporting renewable electricity generation above mandatory requirements. However, Council also notes that much has changed since the program was introduced and therefore supports the current comprehensive review. Council's submission provides feedback on how the program may evolve in the future and, where relevant, addresses the options put forward in the Consultation Paper.

In line with feedback from other stakeholders, Council considers that the GreenPower program is well designed and does not require wholesale restructuring. Notwithstanding this, minor changes would bring the program up to date with changes in the regulatory environment and renewable energy markets. In particular, Council would welcome changes that facilitate and simplify participation by large GreenPower customers, including the ability to purchase GreenPower accredited electricity directly from the renewable energy market, as currently allowed under the Australian Government's National Carbon Offset Standard (NCOS).

Should you wish to discuss this matter further, please contact Mr Michael Arens, Service Delivery Manager Energy and Carbon, from Council's Natural Environment, Water and Sustainability branch by telephone on (07) 3403 8888.

Yours sincerely

A handwritten signature in blue ink, appearing to read 'C. Jensen', written in a cursive style.

Colin Jensen
CHIEF EXECUTIVE OFFICER

Att.

BRISBANE CITY COUNCIL'S SUBMISSION ON THE GREENPOWER PROGRAM REVIEW PUBLIC CONSULTATION PAPER

Context

Brisbane City Council (Council) has invested significantly in initiatives that have reduced its carbon emissions. These include investment in energy efficiency initiatives such as the recent retrofit of 25,000 street lights and the LED lighting upgrade of Brisbane's iconic Story Bridge. Council has installed some 145 kilowatts of on-site solar power systems on its own facilities and has also been offsetting direct carbon emissions associated with its bus, ferry and vehicle fleets and gas consumption since 2009. Council currently purchases some 115,000 carbon offsets each year. Council started purchasing GreenPower for Brisbane's City Hall in 2003 and progressively increased the amount being purchased. From 1 July 2010, Council has purchased 100% GreenPower, and since 2003, Council has purchased just over 700,000 megawatt hours (MWh) of GreenPower, representing some 600,000 tonnes of carbon dioxide equivalent (tCO₂-e) avoided greenhouse gas emissions.

Program aims

Council supports option A2 to revise the program aims to better reflect its strengths and the current regulatory and market context, and suggests the following:

1. To provide electricity customers with a simple, credible option to voluntarily support Australian renewable energy.
2. To encourage consumer demand for renewable energy and contribute to the installation of new renewable energy generators across Australia beyond any mandatory requirements.
3. To decrease greenhouse gas emissions associated with electricity generation.

As Council's motivation in purchasing GreenPower is to demonstrate leadership in responding to sustainability issues, Council considers that it is important for the program to maintain a focus on encouraging greater uptake of renewable energy products by the general population.

Council does not agree with the proposed aim to provide GreenPower customers with additional membership benefits in recognition of their voluntary contribution. Providing membership benefits may be an effective mechanism for incentivising GreenPower uptake and customer retention (as outlined in option M2) and Council would support this approach. However, as the program does not exist for this purpose, it may be inappropriate to include it as a program aim.

The program is currently unable to achieve greenhouse gas emissions reductions beyond the national emissions reduction target. It is therefore suggested that this is not included as a program aim at this stage and that the focus instead remains on reducing the emissions intensity of electricity generation.

Funding

Council is neither a GreenPower product provider nor accredited electricity generator and hence is unable to comment on the majority of options presented for changes to the funding structure. Council would, however, support the idea raised in relation to option F5 to waive or discount accreditation fees for community-owned generators and suggests that this also includes generation projects developed by local government authorities.

Governance

Council supports option G3 to establish a Stakeholder Reference Group to advise and make recommendations to the National Steering Group on key program decisions. Council suggests that the group should include representation from large GreenPower customers (i.e. greater than 5,000MWh per annum).

Marketing and engagement

Options M2 (increased existing customer engagement), M3 (narrower marketing focus) and M4 (branding refresh and relaunch) are supported.

Program rules

Council strongly supports option R11 to introduce new GreenPower product types. In particular, Council would like to see a streamlined option for large GreenPower customers purchasing directly from the renewable energy market, rather than via a GreenPower product provider. The program rules currently stipulate that renewable energy certificates (RECs) backing GreenPower claims can only be surrendered by GreenPower product providers. As such, large customers operating under the direct procurement model are required to either apply for accreditation as a provider themselves or enter into agreement with an accredited provider to surrender the RECs on their behalf. Both arrangements are sub-optimal and increase administrative complexity and costs. Rather, direct procurement should be recognised as a legitimate and cost effective model for large customers, consistent with the Australian Government's National Carbon Offset Standard (NCOS), and be supported by the program rules.

Council does not support options R2 (relax minimum renewable energy input requirement) and R4 (support small-scale generation) as they would divert GreenPower support from new large-scale renewable energy generators. As GreenPower represents a small part of the total renewable energy market, Council considers that the program would have greater impact by targeting its support to the market segments that need it most. Similarly, Council would not support option R3 (strengthen generator eligibility requirements), if it became more difficult, onerous and costly for new large scale generators to obtain accreditation as a result.

While not raised as an issue in the Consultation Paper, Council notes a need for the program rules to be clear about the treatment of transmission and distribution losses when purchasing GreenPower for contestable sites (i.e. whether sufficient GreenPower to account for the transmission and distribution losses is included in the GreenPower purchase). For customers intending to achieve carbon neutrality, such as Council, it is important to ensure that the program rules and NCOS Carbon Neutral Program Guidelines align in relation to the calculation and offsetting of greenhouse gas emissions associated with transmission and distribution losses.

Advocacy

Option A2 to work with the Clean Energy Regulator to simplify the REC surrender process is supported.

An opportunity also exists with the recently announced review of the NCOS to ensure these voluntary programs align. Council encourages the GreenPower National Steering Committee and Program Manager to engage with the NCOS review process to ensure this occurs.

Council commonly highlights that its support of GreenPower results in renewable electricity generation that is additional to mandatory requirements and helps to transition Australia's electricity supply away from a reliance on fossil fuels. GreenPower is and always has been additional to the mandatory Renewable Energy Target and this does not require reconfirmation by the Australian Government.

Council notes, however, that some stakeholders have argued that the greenhouse gas emissions reductions achieved by GreenPower purchases should also be additional to the national emissions reduction target (option A1). Council does not have a strong view on this issue, noting that achieving the national target will be difficult and that all Australians have a responsibility to contribute towards it. Rather than advocating for GreenPower to be made additional to the national target, Council suggests that an argument is made for GreenPower purchases to be taken into account by the Australian Government in setting a more ambitious national target in the post-2020 period.