



Proposed changes to GreenPower renewable electricity program rules

National GreenPower Accreditation Program

8 October 2024

Agenda

1. **Welcome and Acknowledgement of country**

2. **Proposed Renewable Electricity Program Rules Changes**

- a) Recognise mandatory investments in large-scale renewables that most electricity consumers are making
- b) Increase minimum GreenPower product percentage requirements for residential and business customers, except in the ACT
- c) Proposed limitations on GreenPower Product sales in the ACT

SHORT BREAK

- d) Clear transitional rules and processes to make it easy to implement and understand these rule changes
- e) Other minor rule changes

3. **Public consultation on these proposed rule changes starts today and ends 25 October 2024**



Welcome

**Acknowledgment of
country**

What is GreenPower®?

GreenPower is a national renewable energy accreditation program established in 1997. It is managed by the NSW Government on behalf of state and territory governments.

GreenPower enables consumers to voluntarily match their energy usage with renewable energy at the level they choose, e.g., 50% or 100%.

GreenPower ensures that customers that purchase renewable energy from their providers get what they ask for, and that its green credentials are only used once.



Photo: Murra Warra Wind Farm, VIC.
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GreenPower's program aims include:

- To facilitate the installation of new renewable generation capacity beyond mandatory requirements.
- To encourage growth in consumer demand for renewable energy.
- To provide consumer choice for, and increase confidence in credible renewable energy products.
- To increase consumer awareness of Renewable Energy and greenhouse issues.
- To decrease greenhouse gas emissions from energy use.

GreenPower and mandatory renewables

- GreenPower enables consumers to voluntarily match their energy usage with renewable energy at the level they choose, e.g., 50% or 100%.
- Mandatory renewables are the mandatory investments in large-scale renewables that most electricity consumers have to make, apart from those activities which are RET-exempt.
- These mandatory renewables are represented by the:
 - Renewable Power Percentage (RPP) - as defined in the Renewable Energy (Electricity) Act 2000, the RPP is the percentage of electricity required to be acquired by liable entities from large-scale renewables under the Act. The RPP applies nationally, and is set by the Clean Energy Regulator by 31 March each year, and is usually around 18.5%. It is currently 18.48% in 2024.
 - Jurisdictional Renewable Power Percentage (JRPP) - is the number of eligible renewable energy certificates surrendered by or on behalf of the jurisdictional authority divided by total electricity consumption in the jurisdiction. The ACT is the only jurisdiction with a JRPP, and it is 79.51% for 2024.
- **GreenPower Products have been fully additional to mandatory renewables until now.** This means that customers that currently buy 100% GreenPower are effectively buying ~118% renewable electricity in most jurisdictions, and ~198% renewable electricity in the ACT.

5 ways to buy GreenPower renewable electricity

1) **Consumption-based Products - from one of our ~35 electricity retailers**

The easiest way to buy GreenPower and match your electricity consumption with GreenPower renewable electricity at the % you choose.

2) **Block-based Products - from one of our electricity retailers** - offer price predictability. Quantity of GreenPower renewable electricity in the product purchase commitment is fixed and not consumption-based.

3) **Decoupled, certificate-only GreenPower - from one of our electricity retailers or environmental certificate brokers**

For companies or event organisers that can't easily change their electricity plan, or who wish to buy GreenPower renewable electricity for multiple offices/sites.

4) **Corporate Direct - through GreenPower**

A more cost-effective way for large consumers of electricity to make large purchases of GreenPower-accredited LGCs (renewable certificates).

5) **Connect - through GreenPower**

A low-cost way for large electricity customers to get GreenPower from a specific renewable project.



Intent of proposed changes to GreenPower renewable electricity program rules

- **Increase consumer confidence in renewable electricity** by making it easier to understand how much renewable electricity customers are getting from their GreenPower product purchase
- **Encourage growth in consumer demand for renewable electricity**
- **Continue to make it easy for buyers** to buy renewable electricity recognised nationally and internationally as net-zero renewable electricity (e.g. by B Corp, Climate Active, NABERS, RE100 etc)
- **Make it easy for GreenPower Providers** to:
 - sell credible renewable electricity that meets all of the increasingly complex requirements of standards and frameworks such as RE100, Climate Active, NABERS, B Corp etc.
 - transition their existing GreenPower customers onto products that recognise the RPP
 - clearly communicate these changes and their benefits to customers

Proposed 2025 GreenPower rule changes

- 1. GreenPower proposes to recognise the mandatory investments in large-scale renewables most electricity consumers have to make** while ensuring customers can continue to make credible renewable electricity claims. Mandatory renewables are represented by:
 - the Renewable Power Percentage (nationally) and
 - the Jurisdictional Renewable Power Percentage (in the ACT)
- 2. Increase minimum GreenPower product percentage requirements** for residential and business customers, except in the ACT
- 3. Proposed limitations on GreenPower Product sales in the ACT** where only certain types of GreenPower Products will be able to be offered.
- 4. Clear transitional rules and processes** to make it easy to implement and understand these rule changes.



Image: Daydream and Hayman Solar Farms, QLD

Recognise the Renewable Power Percentage in GreenPower

- **From 1 July 2025, GreenPower consumption-based product percentages will fully recognise the Renewable Power Percentage**, as set by the Clean Energy Regulator, except for activities that are exempt from the Renewable Energy Target, e.g., emissions-intensive and trade-exposed activities.
- Why 1 July 2025? Victoria only allows network tariff price changes on 1 July each year. Government regulated retailers in WA also typically change prices on 1 July each year.
- In the Australian Capital Territory (ACT), GreenPower also proposes to:
 - recognise the Jurisdictional Renewable Power Percentage in the ACT, and
 - to limit the types of GreenPower products permitted to be sold in the ACT from 1 July 2025 as mandatory renewables have totalled around 94-98% in the ACT in recent years.
- **GreenPower does not intend to apply any of its additional requirements** and will recognise the LGCs surrendered under the LRET and the LGCs surrendered by the ACT towards its renewable energy target.
- **These proposed changes are consistent with other electricity accounting standards**, e.g., Climate Active

Proposed limitations on GreenPower Product sales in the ACT

Limitations on the sale of GreenPower Products in the ACT are proposed to be introduced as the ACT has a very high (~98%) level of mandatory renewables in its grid.

Proposed arrangements for residential and SME customers in the ACT

- Only Certificate-only (decoupled) GreenPower Products will be able to be offered to residential and Small-Medium Enterprise (SME) customers in the ACT from 1 July 2025.

Proposed arrangements for large customers in the ACT

- For Large Customers in the ACT*, only Block-based, Certificate-only (decoupled), Connect and Corporate Direct GreenPower Products will be able to be offered from 1 July 2025.

** Consistent with the National Energy Customer Framework, a large customer is a business customer that has an annual consumption of electricity at or above 100MWh in the ACT, NSW and Queensland*

Implementing the Renewable Power Percentage in GreenPower

- **To simplify administration for all stakeholders, GreenPower proposes to recognise the RPP at the same percentage level throughout each GreenPower settlement period (calendar year).**
- The RPP must be published by the CER by 31 March of each year.
- This means that there are likely to be a few months at the start of each year when the RPP for a calendar year is not known exactly. This is a known minor issue that most Providers have likely already been dealing with for many years with C+I customers that already include the RPP in their carbon and renewable energy claims.
- GreenPower expects that Providers will account for these minor variations in the RPP in retrospective bill adjustments for their customers, if such adjustments are necessary.

Year	RPP
▶ 2024	18.48
▶ 2023	18.96
▶ 2022	18.64
▶ 2021	18.54
▶ 2020	19.31
▶ 2019	18.60

Example: how this change will impact GreenPower customers

- Let's look at how this change impacts a hypothetical business customer buying consumption-based GreenPower products in the NSW and Victoria, and Certificate-only (decoupled) GreenPower in the ACT:
 - with 3,000 MWh of total electricity consumption each year across their 3 sites in ACT, NSW + VIC
 - electricity consumption is 1,000 MWh per year per site
 - that does not have any activities that are exempt from the LRET
 - that wishes to claim their company buys 100% renewable electricity matched with GreenPower
 - when the Renewable Power Percentage is assumed to be 18.48%
 - when the Jurisdictional Renewable Power Percentage for the ACT is assumed to be 79.51%

GreenPower LGCs currently required			GreenPower LGCs required from 1 July 2025		
ACT	NSW	VIC	ACT	NSW	VIC
1,000	1,000	1,000	20.1	815.2	815.2
Total: 3,000			Total: 1,650.5		

Implementing the Renewable Power Percentage in GreenPower

- The definition of an LGC in GreenPower's Program Rules will continue to be linked to the definition of an LGC in the *Renewable Energy (Electricity) Act 2000*.
- LGCs will continue to be recognised at a rate of one certificate per megawatt-hour of eligible renewable electricity generated under the RET Legislation.
- Only Consumption-based GreenPower products will automatically recognise the RPP.
- Purchasers of other types of GreenPower Products, i.e., other than consumption-based products, will be able to claim the RPP and JRPP in their renewable electricity claims but will have to calculate these claims manually and determine what types of renewable claims they can make.
- Block-based and Certificate-only (decoupled) GreenPower Products will not recognise the RPP as they are sold in blocks of kWh or MWh and are not matched to a customer's electricity consumption.

Increase minimum GreenPower product percentage to 50%

GreenPower is currently fully additional to the RET and has a 10% minimum GreenPower requirement for consumption-based GreenPower products sold to residential customers.

With the RPP being incorporated into GreenPower Product percentages, and likely remaining around 18-19%, it would be unworkable for 10% GreenPower products to continue to be sold.

- Almost all submissions to our 2022 program review consultation agreed the 10% minimum percentage should increase if the RPP is incorporated into GreenPower products.
- Most submissions supported 30% as the new minimum, but some Providers believed it should not apply for large customers. Almost half of submissions supported a 50% or a 100% minimum.

From 1 July 2025, 50% is the proposed new minimum GreenPower product percentage (except in the ACT) for:

- consumption-based products for both residential and business customers, and
- block-based products sold as a percentage of an average household's electricity consumption, for the equivalent amount of kWh. The new minimum for block-based products will be 3,100 kWh per year.

Clear transitional rules and processes



Transitioning existing residential + SME customers on energy plans

- GreenPower will require GreenPower Providers to consistently transition existing residential and SME customers on energy plans and consumption-based and block-based* GreenPower Products as much as possible to provide better customer experiences and simplify the transition process for Providers.
- Streamlining product options down to a standardised set of 2-3 product options will enable easier price comparisons that include the cost of GreenPower on comparison websites like Energy Made Easy as well as on GreenPower's own website.
- **GreenPower also plans to streamline the consumption-based and block-based* products that Providers can choose to offer to residential and SME customers on energy plans** down to a consistent maximum of 3 product percentage options: 50%, 75% and 100%
- GreenPower Providers offering consumption-based GreenPower residential and SME products will be required to offer a 100% renewable electricity matched with GreenPower option. Providers will be able to also optionally choose to offer 50% and/or 75% renewable electricity matched with GreenPower options.

* *Block-based products sold as a percentage of average daily household consumption – e.g., 50% or 100%*

Transitioning existing residential + SME customers on energy plans

GreenPower will require GreenPower Providers to notify affected GreenPower customers on residential + SME energy plans that are on consumption-based and block-based* % products that:

- GreenPower is changing and consumption-based products will recognise the RPP from 1 July 2025
- they may be transitioned to a new GreenPower product, if this is possible and in compliance with the Law, or alternatively, the customer may be offered the nearest equivalent GreenPower Product/s
- In the ACT, only Certificate-only (Decoupled) GreenPower Products may be offered to these customers
- the customer can change their GreenPower product selection at any time by contacting the Provider

Product Transition Table - example

Jurisdictions	Current GreenPower percentage	New GreenPower product percentage
NSW, NT, QLD, SA, TAS, VIC + WA	Existing customers on 10-50% products	50%
As above	Existing customers on 51-75% products	75%
As above	Existing customers on 76-100% products	100%

* Block-based products sold as a percentage of average daily household consumption – e.g., 25%, 50%

Transitioning existing residential + SME customers on energy plans

Block-based products – sold in blocks of kWh

- The minimum GreenPower content of residential block-based products is currently set at 647kWh/year.
- The minimum GreenPower content of block-based products for residential and small-medium enterprise (SME) customers will be increased to 3,100 kWh/year.
 - This value represents 50 per cent of the national average household electricity consumption each year, according to 2020 AEMO data.
- Minor changes will also be required in how these products are communicated to customers.
- Block-based products sold as a percentage of average daily household consumption – e.g., 25%, 50% - will need to be streamlined down to the same equivalent 3 product options - 50%, 75% and 100% - as consumption-based products.

Implementing the RPP for business customers

- As with residential customers, GreenPower consumption-based product percentages for business customers are proposed to fully recognise the RPP from 1 July 2025, except for activities that are exempt from the Renewable Energy Target, e.g., emissions-intensive and trade-exposed activities.
- RET-exempt activities are not eligible to claim the RPP as they have not invested in large-scale renewable generation through the LRET.
- Providers will need to exclude RET-exempt activities from consumption-based GreenPower Products and only sell block-based or decoupled GreenPower Products to match electricity used in RET-exempt activities.
- In their GreenPower sales processes, Providers will need to:
 - identify whether their business customers have activities that are exempt from the LRET to ascertain whether they are eligible to claim the RPP across their entire operations.
 - have differentiated sales requirements for ACT customers, if they wish to offer GreenPower Products in the ACT

Introduction of minimum business product percentages

- **GreenPower will also introduce a minimum product percentage requirement of 50% for consumption-based GreenPower Products for large customers* from 1 July 2025.** This minimum percentage would not apply to:
 - block-based GreenPower Products, or
 - Certificate-only (Decoupled) GreenPower Products

for business customers that are defined in quantities of GreenPower LGCs. These products will retain flexibility as large customers use these products in many different ways.

- GreenPower currently has no minimum product percentage requirement for business products.^
- If the proposal to recognise the RPP in GreenPower product percentages is approved without a minimum percentage requirement for products sold to business customers, there is a potential risk of misleading ~18-19% GreenPower Products that only include the RPP to be marketed.

** Except in the ACT, where only Certificate-only (Decoupled), Corporate Direct and Connect GreenPower Products can be offered to large customers by GreenPower Providers from 1 July 2025.*

^ Apart from GreenPower Corporate Direct, which currently requires the surrender of LGCs to a minimum of 10% of the Corporate Direct Participant's electricity consumption for each Settlement Period (SP). This increases to a minimum of 15% of the Participant's electricity consumption each SP after the introduction of this change on 1 July 2025.

Transitioning existing large customers

- **GreenPower is not proposing to require Providers to transition their contracts with large customers on consumption-based GreenPower Products in consistent ways**, due to the greater variation in: the needs of GreenPower business customers, and in GreenPower Providers' contracts with customers.
- By 31 March 2025, GreenPower Providers will be required to notify all customers, including their large customers, that GreenPower is changing and recognising the RPP in consumption-based products.
- Providers will need to update their offerings of consumption-based GreenPower Products for business to recognise the RPP in their product percentages from 1 July 2025.
- Contracts for the purchase of GreenPower that are defined in quantities of LGCs are generally unlikely to be affected by the recognition of the RPP, but this may of course vary contract by contract.

Transitioning existing large customers

- Contracts with business customers for the purchase of GreenPower that are expressed in GreenPower product percentages are more likely to be affected by this change.
 - For example, a large customer on an old 82% GreenPower product will likely want to transition this to a new 100% product. This will require communication between the customer and the Provider, and depending on the terms of the contract, may also require negotiation and an updated agreement between the Provider and their customer.
- Existing on-foot contracts that include Consumption-based GreenPower Products with terms extending past 1 July 2025 will remain unchanged, unless renegotiated by mutual agreement. The customer will also be able to recognise the RPP in their claims under the existing arrangements.

The formula for this is: *Old GreenPower Product Percentage + RPP = New GreenPower Product Percentage*

 - For example, from 1 July 2025, if an existing on-foot contract includes a 82% GreenPower Product, and the RPP for that year is 18.48%, the customer will be able to claim they're using 100.48% renewable electricity matched with GreenPower in that year.

Transitioning existing large customers

- Providers will also need to exclude the RPP from calculations of the LGC surrender requirements for existing on-foot contracts for Consumption-based GreenPower Products entered into on 30 June 2025 or earlier.
- For example, if an existing, on-foot contract entered into on 15 November 2024 for a 3 year period includes an 82% GreenPower Product, from 1 July 2025 the Provider will still need to match and surrender 82 GreenPower LGCs for every 100 MWh of electricity consumption by that customer until the expiry of that contract, unless it is ended and renegotiated by mutual agreement.

Ensuring continued confidence in renewable electricity claims

To help give GreenPower customers continued confidence in their renewable electricity claims:

- **GreenPower Providers** that are also liable entities under the Large-scale Renewable Energy Target (LRET) **will be required to surrender sufficient LGCs in their LRET surrenders by 14 February each year to cover the RPP component of the electricity consumed by their GreenPower customers in the previous calendar year**, excluding sales to LRET-exempt activities.
 - e.g., if the RPP is 18.87%, and the total electricity consumption of a Provider's GreenPower customers is 10,000 MWh, the Provider would need to surrender at least 1,887 LGCs in their LRET surrender (10,000 x RPP).
- GreenPower Providers that are liable entities under the LRET that do not surrender sufficient LGCs to cover this RPP component in their LRET surrenders by 14 February each year will be in breach of the GreenPower Program Rules and their GreenPower Products may lose accreditation, unless they 'top-up' and offer to surrender sufficient LGCs by 31 March in their GreenPower voluntary surrender.
- This 'top-up' will be managed through the GreenPower tier 1 audit which is due 31 March each year.

Other minor changes to GreenPower program rules

1. Definition of a GreenPower generator includes a minor change to note that it is generally 15 years or less in age (with some limited exemptions), as per our previous rule changes which took effect from 1 January 2024.
2. Dispute resolution process in section 2.4 has been aligned with dispute resolution process in our renewable gas rules. It notes the National GreenPower Steering Group may refer a dispute to an independent expert with reasonable qualifications, subject matter expertise and experience. The independent expert will act as an expert (and not as an arbitrator), and make a binding decision for the dispute.
3. Changes to GreenPower Products in section 3.3 includes a proposed change consistent with long-standing practice to require GreenPower Providers to seek and receive approval in writing of any product changes.
4. Claims of eligible generation in s3.8 and s5.2.2 – new clauses added requiring any behind the meter usage of renewable electricity from a GreenPower Generator or a large-scale generator creating LGCs to be matched with LGCs and deducted from generation claims

Other minor changes to GreenPower program rules

5. Section 5 - GreenPower Eligibility Requirements and Appendix B - GreenPower Generator Approval Application – the terms “approved GreenPower Generator” and “approval” have been replaced with “accredited GreenPower Generator” and “accreditation” respectively
6. Annual audit reports for GreenPower Providers in section 6.2 has been updated to include audit requirements during 2025:
 - a) version 11.1 – will apply to GreenPower sales made in the first half of the 2025 Settlement Period: 1 January – 30 June 2025
 - b) This new version of the GreenPower Program Rules – version 12 - will apply to GreenPower sales made in the second half of the 2025 Settlement Period: 1 July – 31 December 2025
7. Appendix D: Definition of Terms – has been updated with numerous changes and additions of new terms
8. Appendix F: GreenPower Provider and GreenPower Corporate Direct Participant Fees – has been updated to clarify that the RPP component of Consumption-based GreenPower Products are not included in the aggregate GreenPower LGC sales volume. This sales volume is what Provider fee calculations are based on.



Thank you

For any questions on the proposed rule changes,
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