

# GreenPower Program Review Consultation

22 August 2022

Public Interest Advocacy Centre  
**ABN** 77 002 773 524  
[www.piac.asn.au](http://www.piac.asn.au)

Gadigal Country  
Level 5, 175 Liverpool St  
Sydney NSW 2000  
**Phone** +61 2 8898 6500  
**Fax** +61 2 8898 6555

## About the Public Interest Advocacy Centre

The Public Interest Advocacy Centre (PIAC) is leading social justice law and policy centre. Established in 1982, we are an independent, non-profit organisation that works with people and communities who are marginalised and facing disadvantage.

PIAC builds a fairer, stronger society by helping to change laws, policies and practices that cause injustice and inequality. Our work combines:

- legal advice and representation, specialising in test cases and strategic casework;
- research, analysis and policy development; and
- advocacy for systems change and public interest outcomes.

## Energy and Water Consumers' Advocacy Program

The Energy and Water Consumers' Advocacy Program works for better regulatory and policy outcomes so people's needs are met by clean, resilient and efficient energy and water systems. We ensure consumer protections and assistance limit disadvantage, and people can make meaningful choices in effective markets without experiencing detriment if they cannot participate. PIAC receives input from a community-based reference group whose members include:

- Affiliated Residential Park Residents Association NSW;
- Anglicare;
- Combined Pensioners and Superannuants Association of NSW;
- Energy and Water Ombudsman NSW;
- Ethnic Communities Council NSW;
- Financial Counsellors Association of NSW;
- NSW Council of Social Service;
- Physical Disability Council of NSW;
- St Vincent de Paul Society of NSW;
- Salvation Army;
- Tenants Union NSW; and
- The Sydney Alliance.

## Contact

Douglas McCloskey  
Public Interest Advocacy Centre  
Level 5, 175 Liverpool St  
Sydney NSW 2000

T: 02 8898 6534

E: [dmccloskey@piac.asn.au](mailto:dmccloskey@piac.asn.au)

Website: [www.piac.asn.au](http://www.piac.asn.au)



Public Interest Advocacy Centre



@PIACnews

The Public Interest Advocacy Centre office is located on the land of the Gadigal of the Eora Nation.

# Contents

<b>1. Introduction</b>	<b>3</b>
Greenwashing	3
GreenPower’s role in decarbonising the energy sector and other sectors	3
<b>2. Market context</b>	<b>4</b>
Question 1: Do you agree with the above market changes being the main drivers impacting GreenPower sales, public perception and its future role? Are there any other key drivers not included here?	4
<b>3. Short-term changes for 2023</b>	<b>5</b>
LGC vintage requirement – limiting the validity of certificates	5
Question 2: Should a vintage requirement for GreenPower certificates be introduced, and what should the validity period be? Should it be 36 months, shorter or longer, and why?	5
Aligning generator accreditation dates with the CER	5
Question 3: Do you agree with GreenPower aligning its generator accreditation dates with the CER accreditation date? If not, why?	5
Incorporating the RET in GreenPower products	6
Question 4: Does Option A sufficiently address the demand from stakeholders to recognise the RET for 100% renewable electricity claims? If not, why?	6
Question 5: What are the advantages of Option B? Would fixing the recognised RET percentage be a good solution to deal with the annual changes to the RPP?	6
Question 6: The above proposal is a solution that can be quickly implemented. Should GreenPower consider a different approach in its long-term program design?	6
Question 7: Which minimum percentage do you think is the most appropriate if Option B noted in 4.3.2 is chosen, and why?	6
<b>4. GreenPower in 2025</b>	<b>7</b>
Program mission	7
Question 8: Should GreenPower’s mission expand to include all forms of renewable energy, for example hydrogen, and is the role of GreenPower the same across different energy carriers?	8
Additionality	8
Question 12: Should GreenPower focus on maximum additionality, electricity carbon accounting, or should both products be supported?	8
Question 13: Should a vintage requirement for GreenPower certificates be considered in the long-term design of GreenPower, and why?	9
Question 14: Should GreenPower consider a generator age limit approach? If so, why?	9
Question 15: Should GreenPower restrict participating generators to new projects only? And if yes, why?	9
Actions to increase demand	10
Question 19: Should retailers be blocked from joining GreenPower if they sell green products that are not linked to renewable energy generation?	10

Question 20: What other changes to the program could provide the same level of clarity for consumers? .....	10
Question 21: Should GreenPower set strict requirements for how providers promote GreenPower and onboard GreenPower customers? ie how easy it is to get GreenPower .....	11
Actions to improve consumer choice.....	11
Question 22: Are there any other customer segments that are unable to access GreenPower? .....	11
Question 23: How can GreenPower support more flexibility for small energy users to purchase small quantities of GreenPower, such as for embedded network customers? .....	11
Generator accreditation .....	12
Question 24: Should GreenPower reduce its accreditation requirements or make them stricter; and what do you think is the benefit of either approach? .....	12
Question 25: What are the most important aspects that GreenPower should consider in its generator assessment?.....	12
Additional options GreenPower could pursue .....	12
Question 26: Do you see value in an official environmental rating for electricity retailers, and in GreenPower developing this rating?.....	12
Question 27: How could this be made administratively efficient and commercially attractive for retailers that perform well environmentally? .....	13
<b>5. Continued engagement .....</b>	<b>14</b>

---

**Recommendation 1**

*Limit the time validity of certificates to 12 months, with consideration of a longer validity where additional benefits (consistent with other climate and energy objectives) exist.*

---

**Recommendation 2**

*Align GreenPower practically and strategically with CER with consideration given to integrating GreenPower into the functions of the CER.*

---

**Recommendation 3**

*Restrict GreenPower products to 100% renewable generation only.*

---

**Recommendation 4**

*Reform the mission of GreenPower be more objective and outcomes focussed and incorporate Paris Agreement emissions reductions requirements as the basis for program targets.*

---

**Recommendation 5**

*GreenPower should not be expanded in any way that dilutes its focus or supports technologies which impede rapid, efficient emissions reductions. This includes not incorporating hydrogen specifically nor including hydrogen in gas networks.*

---

**Recommendation 6**

*GreenPower should be given a strengthened focus on additionality, restricting GreenPower participation to new generators or the creation of a 'tiered' system to allow existing generators to only participate in a limited or reduced capacity.*

---

**Recommendation 7**

*GreenPower should include a vintage requirement, particularly in relation to post 2025 operation of the scheme..*

---

**Recommendation 8**

*In the short term, GreenPower should have a generator age limit approach.*

---

**Recommendation 9**

*GreenPower should restrict participation to new generation projects. Consideration could be given to a 'tiered' system that helps incentivise dispatchable/firmed renewable energy projects.*

---

**Recommendation 10**

*Efforts be made to increase GreenPower take up including requiring all energy retailers to offer 100% (only) GreenPower on all their products; GreenPower be made available for the community to purchase outside of energy retailers; and marketing and regulation be used to restrict the sale of offsets (except where they are additional to a 100% renewable energy product)*

**Recommendation 11**

---

*Energy retailers be restricted from selling any green products that are not linked to 100% renewable energy generation, energy efficiency and/or electrification of gas or other fossil-fuel applications.*

**Recommendation 12**

---

*Strict requirements should be imposed on how GreenPower is promoted and how customers are onboarded.*

**Recommendation 13**

---

*Options be available for people to purchase GreenPower outside an energy retailer.*

**Recommendation 14**

---

*Implement stricter generator accreditation requirements.*

**Recommendation 15**

---

*A robust, principles-based environmental rating that includes a simple accessible rating backed up with key details and calculations which are easily accessible. The ratings should be available in multiple locations and accompanied by a communications plan.*

# 1. Introduction

The Public Interest and Advocacy Centre (PIAC) welcomes the opportunity to respond to the NSW Office of Energy and Climate Change (OECC) and NSW Treasury's GreenPower Program Review Consultation ('the Review').

Despite our regular contribution providing consumer advocacy on energy issues, we were unaware of this consultation until 12 August 2022 when we received notification from the GreenPower Team that the consultation period had been extended. This raises concerns that there is a lack of transparency around this Review process and that consumers and the community may not have had an appropriate opportunity to contribute to it.

GreenPower remains essential for energy consumers as the only robust and independently verified voluntary green energy product. It has a vital role in accelerating our energy system's transition to be 100% renewable.

PIAC agrees with Common Capital's *GreenPower Program Review* that GreenPower needs to evolve to ensure its relevance as well as its contribution to decarbonisation as the energy system changes.

This Review should include a comprehensive examination of governance, oversight, objectives, and principles of GreenPower, and its integration with other policy instruments and mechanisms designed to reduce emissions and target a zero-emissions energy system and economy.

PIAC encourages the integration of GreenPower into other functions of clean energy regulation, with an appropriate introduction of greater independence from industry, increased consumer and community engagement and greater robustness of oversight and implementation.

The Review process should be linked to wider emissions reductions strategies to identify common objectives, principles and linkages to other policy frameworks such as the safeguard mechanism and the Guarantee of Origin schemes.

## **Greenwashing**

PIAC is concerned with the emergence of 'green' products in the energy system that claim to be additional, renewable and/or 100 % clean yet are based on dubious non-energy carbon offsets or non-transparent and unverified sources. Going forward, offsets must not be used to regard energy as 'carbon neutral'. The lack of robustness and transparency in these products is undermining consumer understanding and support and obscuring the value of GreenPower.

We encourage the governing body of GreenPower to monitor other 'green' products, including offsets, and put in place systems to identify and report the ones that make misleading claims to the Australian Competition and Consumer Commission (ACCC).

## **GreenPower's role in decarbonising the energy sector and other sectors**

PIAC would like to see GreenPower extend indefinitely, beyond the current 2030 Renewable Energy Target (RET) timescale. We are supportive of an upgrade and extension of the RET, with higher targets staged in 5 year increments.

The energy sector is the part of the economy which must decarbonise the fastest and has a role to play in assisting the decarbonisation of other industries. With the prediction by the Australian Energy Market Operator (AEMO) that 80% of electricity will be sourced from renewable sources by 2030, but the Intergovernmental Panel on Climate Change (IPCC) pathways requiring close to 100% renewable electricity by 2030, we need to accelerate the pace to which our electricity system is decarbonised.

This gives the opportunity for GreenPower to have the objective of ‘negative net contribution’ to overall emissions by 2035 – that is, a zero emissions energy system with additional offsets and other contributions to reduce overall emissions beyond the 100% related to generation. In this way it could be used to offset emissions in transport and other sectors.

This objective change would need to be reflected in scheme principles and design parameters, including ensuring additionality and strengthening of requirements and limitations.

## 2. Market context

**Question 1: Do you agree with the above market changes being the main drivers impacting GreenPower sales, public perception and its future role? Are there any other key drivers not included here?**

PIAC agrees the issues identified in the Consultation paper have impacted GreenPower sales and should be considered in reforms to GreenPower.

Concerningly, the demand for GreenPower has not tracked Australians’ attitudes to taking action to address climate change<sup>1</sup>, indicating GreenPower is not being seen and/or used as a way for the public to address their concerns regarding climate change.

In addition to those identified, the more fundamental issues for GreenPower relate to the governance structure of GreenPower itself: its lack of integration with other policy frameworks and programs aimed at renewable energy and carbon reduction; and a lack of clear, consistent objectives and principles for the program overseen with robust independent and transparent governance.

This has led to a lack of clear purpose, poor communication, intentional obfuscation, and compounded issues with a lack of consistent committed policy in other areas (for instance in relation to the regulation of offsets). Greater success will be dependent on addressing these issues.

---

<sup>1</sup> For example the Lowy Institute surveys indicate high levels of support for taking action on climate change in 2006 which then fell until 2012 and then began to rise steadily again:  
<https://interactives.lowyinstitute.org/features/australian-attitudes-to-climate-change/>



### **3. Short-term changes for 2023**

#### **LGC vintage requirement – limiting the validity of certificates**

**Question 2: Should a vintage requirement for GreenPower certificates be introduced, and what should the validity period be? Should it be 36 months, shorter or longer, and why?**

PIAC supports measures to limit the time validity of certificates. Shorter periods would be appropriate to drive the greater additionality, which should be the objective of the program. However, we do note that while a time validity of certificates may not necessarily drive additional generation in isolation, it is an important contributor.

Whilst a three year vintage would align with Climate Active and the Greenhouse Gas Protocol Large-Generation Certificates (LGCs), we note that 90% of GreenPower certificates were created within 12 months. If validity was limited to 12 months, it would be consistent with an improvement in performance of the scheme.

Consideration could be given to a scheme which gave differential validity periods depending on the means of generating the certificate. Renewable energy generation which met robust criteria for 'dispatchability' could be given a 'premium' including conferring a longer validity period.

Similarly, longer validity periods could be given where a renewable energy project provides additional community benefit (according to strict criteria) such as those supporting renewable energy projects in housing for people on low incomes.

#### ***Recommendation 1***

---

*Limit the time validity of certificates to 12 months, with consideration of a longer validity where additional (defined) benefits are demonstrated.*

#### **Aligning generator accreditation dates with the CER**

**Question 3: Do you agree with GreenPower aligning its generator accreditation dates with the CER accreditation date? If not, why?**

PIAC supports a comprehensive assessment of opportunities to bring GreenPower into practical and strategic alignment with the Clean Energy Regulator (CER).

This should involve the CER assuming the functions of GreenPower as part of improvements to alignment with other emissions reductions programs and regulatory functions, and improvements to the independence and rigor of the GreenPower program.

#### ***Recommendation 2***

---

*Align GreenPower practically and strategically with CER, including through the CER assuming the functions of GreenPower.*

## **Incorporating the RET in GreenPower products**

**Question 4: Does Option A sufficiently address the demand from stakeholders to recognise the RET for 100% renewable electricity claims? If not, why?**

**Question 5: What are the advantages of Option B? Would fixing the recognised RET percentage be a good solution to deal with the annual changes to the RPP?**

**Question 6: The above proposal is a solution that can be quickly implemented. Should GreenPower consider a different approach in its long-term program design?**

GreenPower, like any voluntary emissions reductions that are not subsidised or counted elsewhere, must be treated as additional to national emissions reduction targets. PIAC supports the key GreenPower program objectives regarding additionality, with this process prioritising measures to strengthen the program's ability to accelerate renewable uptake.

Retaining Greenpower as an enduring 100% additional contribution (regardless of the RRP calculation) is simple and comprehensible to the consumer. While the RET is currently regarded as being met and expected to close in 2030, this is not certain. It is preferable to ensure that GreenPower purchased is as robust, simple to understand and durable to potential change between now and 2030-2035.

PIAC also considers GreenPower a valuable mechanism to support acceleration of the achievement of 100% renewable energy, as well as ensuring that energy (which is easier and more efficient to decarbonise) can potentially contribute 'beyond 100%' renewable as a means of assisting the net economy-wide emissions reductions that may be more complicated.

**Question 7: Which minimum percentage do you think is the most appropriate if Option B noted in 4.3.2 is chosen, and why?**

PIAC strongly recommends restricting GreenPower offers to 100% renewable generation only.

The lower GreenPower portion products have been important to allow people to make voluntary additional contributions within their means. However, with renewable energy as a growing portion of the energy mix, they complicate clear understanding and may give people a false sense of their personal impact on emissions.

The Consultation Paper raises the issue of greenwashing, which is undermining consumer trust and faster action on climate change. An objective to strengthen GreenPower and refocus its objectives on additionality, acceleration of renewable uptake and a zero-carbon energy system by no later than 2035 should shape the response. Freedom to provide 'product innovation and choice' in this space should not be regarded as a priority objective or consideration.

Allowing only 100% products at this stage would ensure clarity, simplicity and support consumer understanding, trust, and enable guaranteed additionality. While it has previously been prudent to offer a range of offers to encourage participation from a range of consumers, aligning the

objectives of GreenPower with climate policy requirements now requires GreenPower products be 100% renewable.

### ***Recommendation 3***

---

*Restrict GreenPower products to 100% renewable generation only.*

Options to go 'beyond 100%' should also be considered on the basis that emissions reduction progress is cheaper and more efficient in the energy system. Removing emissions through 100% GreenPower products allows space for consumers to support a 'negative emissions contribution' through purchasing 100+x% energy products and/or products which are 100% renewable as well as including offsets which could be used for other sectors. There are also opportunities to create products where 100% renewable energy products are combined with measures supporting social equity or a just transition for communities, subject to strict regulation and conditions.

## **4. GreenPower in 2025**

### **Program mission**

Longer term recommendations on reformed strategic linkages to other policy and mechanisms and regulation should be addressed no later than 2025. Particular attention should be paid to reformed governance and oversight structures, with a focus on bringing GreenPower more transparently under the auspices of a reformed CER responsible for all functions of regulation related to emissions reduction and renewable energy. The GreenPower program should have linkages to offsets schemes, information and advertising regulations and oversight, with greater attention paid to compliance and enforcement to address 'double-dipping', greenwashing and the robustness of renewable accreditation.

The 'mission' of GreenPower should be reformed to be more objective and outcomes (rather than process) focussed to provide a stronger basis for monitoring of progress and impact. PIAC strongly recommends a mission which regards Paris Agreement emissions reductions requirements as the basis for program targets, commencing with the legislated emissions reductions targets and seeking to drive additional renewable energy related emissions reductions beyond this.

For instance, using the 80% renewable energy by 2030 as a start point, with the GreenPower program mission to be to drive towards 100% renewable energy no later than 2035, with an objective for the energy sector to be 'net emissions negative' – that is, contributing to the reduction of emissions in other sectors.

### ***Recommendation 4***

---

*Reform the mission of GreenPower be more objective and outcomes focussed and incorporate Paris Agreement emissions reductions requirements as the basis for program targets.*

**Question 8: Should GreenPower’s mission expand to include all forms of renewable energy, for example hydrogen, and is the role of GreenPower the same across different energy carriers?**

PIAC does not support expansion of GreenPower in any way that dilutes its focus, undermines its robust principles, or incentivises or supports inefficient technologies which impede accelerated emissions reductions.

Hydrogen is not an energy source, but a potential (very inefficient and unproven) energy carrier.

Similarly, pumped hydro is not an energy source. Hydro GreenPower should concentrate on transparency, verifiable, 100% zero-emissions generation technologies to ensure a clear link between consumer expectation (that they are buying 100% renewable) and the primary intent of the program.

Accordingly, GreenPower must not expand to accommodate ‘potential innovation’ or focus on support for particular technologies in the supply chain, such as hydrogen. It must robustly relate to the entire energy supply chain and ensure it is 100% renewable. GreenPower need not examine or expand to cover hydrogen explicitly, if it retains a focus on ensuring the entire supply chain involved in the renewable energy generation product generating the certificate is 100% renewable.

PIAC explicitly disagrees with any consideration of GreenPower being expanded to cover the provision of gas through networks, including pure or blended hydrogen, on the basis that this is neither efficient nor able to result in genuinely 100% renewable energy before 2035, as is required.

***Recommendation 5***

---

*GreenPower should not be expanded in any way that dilutes its focus or supports technologies which impede rapid, efficient emissions reductions. This includes not incorporating hydrogen specifically nor including hydrogen in gas networks.*

**Additionality**

**Question 12: Should GreenPower focus on maximum additionality, electricity carbon accounting, or should both products be supported?**

PIAC strongly recommends that GreenPower be given a strengthened focus on additionality.

As part of measures to reform governance and link GreenPower more effectively and transparently to other government policy and programs to reduce emissions, GreenPower should be given strengthened principles to drive an accelerated transition of the energy system to 100% renewable no later than 2035, ensuring:

- The energy system supports emissions reductions in other sectors.
- The program is aligned with consumer expectations.
- The program is simple for consumers to understand – with active steps to remove confusion, opacity and greenwashing or other responses outside of the GreenPower scheme which may

undermine or impede the objectives of the GreenPower scheme (such as the preferential sale of offsets).

Consumers paying 'extra' for a 100% GreenPower product not only expect it to result in their consumption being supported by 100% renewable energy generation, but in the context of the current requirements, they expect their additional payment to support the introduction of new renewable generation. Accordingly, consideration should be given to restricting GreenPower participation to new generators, or to the creation of a simple 'tiered' system that allows existing generators to participate in a limited or reduced capacity (such as through the creation of a partial certificate). Whereas a new generator (with clearly defined terms) could participate fully.

---

### ***Recommendation 6***

*GreenPower should be given a strengthened focus on additionality, restricting GreenPower participation to new generators or the creation of a 'tiered' system to allow existing generators to only participate in a limited or reduced capacity.*

### **Question 13: Should a vintage requirement for GreenPower certificates be considered in the long-term design of GreenPower, and why?**

PIAC strongly supports a reformed GreenPower program including a vintage requirement for GreenPower certificates. While this may not directly lead to material additionality, it would be an important contributor to ensuring a consistent incentive for additionality.

---

### ***Recommendation 7***

*GreenPower should include a vintage requirement.*

### **Question 14: Should GreenPower consider a generator age limit approach? If so, why?**

In the short term (before 2025) a generator age approach to legacy generation participating in GreenPower schemes should be adopted. This should be considered as a means of reducing the opportunity for existing generators to participate as part of a co-ordinated reform to increase the incentive for 'additionality' in the program, even if this is not guaranteed.

---

### ***Recommendation 8***

*In the short term, GreenPower should have a generator age limit approach.*

### **Question 15: Should GreenPower restrict participating generators to new projects only? And if yes, why?**

PIAC supports restricting GreenPower participation to new generation projects. In the longer term, restricting GreenPower participation to new generation is the most preferable means of ensuring maximum additionality, in line with an objective to accelerate new renewable generation supporting rapid decarbonisation.

There are also opportunities to have a 'tiered' approach to the creation of certificates depending upon the dispatchability of the new generation created, so that the GreenPower program is consistently supporting other energy policy objectives to encourage dispatchable/firmed

renewable energy to rapidly replace existing thermal generation. For instance, new firmed renewable generation could participate by creating a small premium in certificates or create certificates which remain valid for longer.

### ***Recommendation 9***

---

*GreenPower should restrict participation to new generation projects. Consideration could be given to a 'tiered' system that helps incentivise dispatchable/firmed renewable energy projects.*

## **Actions to increase demand**

**Question 19: Should retailers be blocked from joining GreenPower if they sell green products that are not linked to renewable energy generation?**

**Question 20: What other changes to the program could provide the same level of clarity for consumers?**

PIAC agrees that GreenPower needs to be better promoted to the community. Barriers should be removed to ease take up. Some government contribution to marketing GreenPower might be appropriate, subject to the CER assuming responsibility for GreenPower.

PIAC strongly recommends reform of the GreenPower governance and operation to bring it under the auspices of the CER. This process should involve a strengthened requirement for all retailers to offer (only) 100% GreenPower for all of their retail products. GreenPower products must be made prominently (and clearly) available on Energy Made Easy (EME).

GreenPower certificates should be available to the public outside of energy retailers, for example, building on the Community Climate Chest model.

The proliferation of other 'green' products is undermining consumer ability to choose the most efficient, robust emissions reductions options. Changes to GreenPower should not seek to accommodate this but involve measures to restrict and regulate the offer of dubious 'green' products.

Energy retailers should be restricted from selling any green products that are not linked to 100% renewable energy generation. The CER and ACCC should be given direction to monitor and enforce this, with objectives consistent with wider climate and energy policy and emissions reductions requirements. This should be undertaken in conjunction with measures to ensure emissions offsets are more transparent, robust and meaningful.

Retail regulation increasingly recognises the detrimental impact of opaque and confused market options even in 'essential' basic energy products and seeks to restrict and simplify what is offered and how it is offered and communicated. This approach should be applied to GreenPower products as well as the other 'green' products currently confusing consumer choice. Further clarity for consumers could be achieved by having regulation of the terminology used by retailers in regard to GreenPower, in keeping with the principles developed for the Australian Energy Regulator's (AER) *Better Bills Guideline*.

GreenPower marketing should also warn people against cheap imitations with initiatives to regulate the use of offsets and, if they are allowed to continue to be offered, should have their composition and advertising robustly regulated. PIAC recommends energy related offsets be heavily restricted in their use, to offsets based on renewable energy, energy efficiency and electrification of gas or other fossil-fuel applications. Carbon offsets for energy generation should be avoided unless they are additional to a 100% renewable energy product (that is, they involve at least zero emissions, with the potential for 'negative emissions').

---

**Recommendation 10**

*Efforts be made to increase GreenPower take up including requiring all energy retailers to offer 100% (only) GreenPower on all their products; GreenPower be made available for the community to purchase outside of energy retailers; and marketing and regulation be used to restrict the sale of offsets.*

---

**Recommendation 11**

*Energy retailers should be restricted from selling any green products that are not linked to 100% renewable energy generation, energy efficiency and/or electrification of gas or other fossil-fuel applications.*

**Question 21: Should GreenPower set strict requirements for how providers promote GreenPower and onboard GreenPower customers? ie how easy it is to get GreenPower**

Obtaining GreenPower should be a simple and easy process with the removal of barriers to encourage as much uptake as possible.

PIAC supports strict requirements regarding promotion of the product and how customers are onboarded.

---

**Recommendation 12**

*Strict requirements should be imposed on how GreenPower is promoted and how customers are onboarded.*

**Actions to improve consumer choice****Question 22: Are there any other customer segments that are unable to access GreenPower?****Question 23: How can GreenPower support more flexibility for small energy users to purchase small quantities of GreenPower, such as for embedded network customers?**

PIAC supports options to allow people currently unable to access GreenPower (such as people in embedded networks) to access it via providers other than their energy retailer, for example, building on the Community Climate Chest model.

If option 4 were pursued, this could also enable people to pick and choose the renewable energy project they would like to support, without having to change their retailer.

### ***Recommendation 13***

---

*Options be available for people to purchase GreenPower outside an energy retailer.*

## **Generator accreditation**

**Question 24: Should GreenPower reduce its accreditation requirements or make them stricter; and what do you think is the benefit of either approach?**

**Question 25: What are the most important aspects that GreenPower should consider in its generator assessment?**

PIAC supports stricter generator accreditation requirements.

It may be useful to consider how a tiered approach to accreditation could be linked to the certificates created. That is, reducing the certificates created generally, and only allowing comprehensively assessed generators (who meet defined criteria supporting social licence, community consultation, supply chain or other local benefit assessment incorporation) to create the maximum allowable certificate.

Regardless, stricter assessment allows scope for more integrated alignment with other objectives of climate and transition policies, ensuring additionality through 'scarcity', while maximising scope for community support and consumer trust.

### ***Recommendation 14***

---

*Implement stricter generator accreditation requirements.*

## **Additional options GreenPower could pursue**

PIAC supports consideration of additional options being explored as part of a comprehensive reform for the GreenPower program as outlined above. However, these options should only be regarded as 'additional' and must not be considered as alternatives to a robust, objective-focussed program aimed at accelerating renewable uptake.

**Question 26: Do you see value in an official environmental rating for electricity retailers, and in GreenPower developing this rating?**

PIAC supports the development of robust, independent environmental rating for electricity retailers.

The methodology for providing an environmental rating should recognise that ratings or scores must be robust and principles based. The priority must be the emissions intensity of actual generation. Any offsets should then be prioritised with those that actively reduce generation emissions given the highest value (ie those that pay for renewable generation), followed by other local offsets. Any other 'green measures' should only be allowed to add to a 'high' rating, not allow a retailer to reach an acceptable rating.

The aim should be for a rating that reflects actual emissions contribution with two components:



- An active rating (how much their operations contribute before any mitigation). This should be the most material contributor to the score (such as 70%) and
- An offset rating (how much they work to reduce emission). The principle for this should be that offsets or other actions are not able to overcome active contributions and achieve a good rating for a retailer with a poor active rating.

Ratings should be layered:

- Firstly, a simple display such as numbers or stars and a traffic light colour code.
- This should be underpinned by detail explaining the interaction between generation intensity and offsets and other measures.
- Finally, there should be access to very detailed information on the calculation, including the source of generation and offsets.

Compliance with legal requirements or guidelines should only be relevant in the negative. For instance, retailers who incurred a shortfall in their Large-Scale Generation Certificates and/or Small-Scale Technology Certificates obligations should be registered as non-compliant and unrated. Alternatively, these retailers could be given a substantial penalty which reduces their rating, ie compliance should be a given but it cannot increase or add to a rating.

Information would need to be available at multiple points where it is most practical and can be acted on. PIAC supports having this information on EME, non-government comparison websites, on energy bills and on retailers' websites. The information should be available in accessible formats. Placement and wording for this will require some prescription, and align with principles in the AER's *Better Bills Guideline*.

There should also be a central place where the retailers are listed in rated order. This could be on the GreenPower website as well as on EME.

This information should be accompanied by a communications plan to raise awareness about this important initiative in the community.

---

### ***Recommendation 15***

*A robust, principles-based environmental rating that includes a simple accessible rating backed up with key details and calculations which are easily accessible. The ratings should be available in multiple locations and accompanied by a communications plan.*

### **Question 27: How could this be made administratively efficient and commercially attractive for retailers that perform well environmentally?**

Administrative efficiency (and consumer trust) would be dependent upon any such scheme being operated by the CER, given its existing roles. As outlined above, PIAC supports the function of GreenPower being assumed by the CER, with greater transparency and independence a key requirement for a more successful and impactful GreenPower scheme.

PIAC does not consider commercial attractiveness a priority consideration and recommends any rating scheme be independently operated (by the CER) and requiring consistent participation from all retailers.

## **5. Continued engagement**

PIAC welcomes the opportunity to meet with the GreenPower Team and other stakeholders to discuss these issues in more depth.