

To the National GreenPower Steering Group:

Thank you for the opportunity to comment on the amended GreenPower Program Rules (Rules) version 7 dated January 2011. Origin Energy Limited (Origin) is a major integrated energy company involved in gas exploration and production, power generation and energy retailing. We are also a significant investor in renewable energy technologies; including geothermal, solar and wind, and currently have over 500,000 customer accounts with green energy products such as Government accredited GreenPower and our Green Gas (offset bundled) products. Origin Energy is a GreenPower Generator as well as a GreenPower Provider.

MAJOR RECOMMENDATIONS ON THE PROPOSED AMENDED RULES:

1. SPECIAL WAIVER OF PROGRAM RULES

Relevant sections: 2.2.4 Special Waiver of Program Rules
Appendix C: Special Waiver Process

Origin supports providing the GreenPower Program Manager discretion to waive the Program Rules in special circumstances. Where events occur that require a special waiver, Origin supports a cooperative approach where the GreenPower Program Manager and the GreenPower participant work together constructively and efficiently to rectify the situation. Origin proposes that Version 7 is amended to consider the following issues:

- a) A special waiver approval currently requires the unanimous vote of the nine government agencies. This requirement presents the risk of an unduly onerous and drawn out approval process. Origin's recommendation is that special waivers should be approved through the *majority* vote of the National GreenPower Steering Group (NGPSG).
- b) The third condition for a waiver does not take into account unforeseeable and extraordinary events that trigger the requirement for waivers. While a proponent can use best endeavours to prevent future occurrences, similar events are possible. Origin recommends this is re-worded to better match the intent of the special waiver process.
- c) The amended rules introduce a requirement for the proponent to meet all media and PR costs related to their Special Waiver. Origin is concerned that the GreenPower participant could be requested by the NGPSG to pay for media/PR that they were unaware of and had no input into. Origin recommends that this requirement be re-worded to require all media/PR to be agreed between the Program Manager (on behalf of the NGPSG) and the proponent, and for the proponent to only meet actual and reasonable PR costs.
- d) All references to timeframes in the waiver application process do not take into consideration the possibility of a GreenPower participant identifying an issue during or after the GreenPower compliance period. Origin proposes that the timeframes specified in the Rules be deleted to provide an opportunity for GreenPower participants to rectify unforeseen issues and maintain the integrity of the GreenPower scheme.
- e) The process for applying for a waiver should be appropriate to the timing, type, scale and significance of the event. Origin is concerned at the length of

time permitted in the Rules between the date a GreenPower participant submits an application for a waiver and the date that the GreenPower Manager advises the GreenPower participant of an outcome. Origin recommends amending the Rules to require that the period for the Program Manager to assess the waiver application be capped at 10 business days, that the waiver be considered at the next NGPSG meeting and that notification by the Program Manager of the final outcome is completed within 5 business days of the NGPSG meeting.

To recognise the points above, we propose the following changes to the Special Waiver rules and process:

Section	Proposal
2.2.4 Special Waiver of Program Rules Paragraph 1	<p><u>Delete:</u> paragraph 1</p> <p><u>Replace with:</u> <i>The GreenPower Program Manager – Accreditation may waive any requirement of these Program Rules on a case by case basis. Any waiver under this section must first be approved through a majority vote of the National GreenPower Steering Group.</i></p>
2.2.4 Special Waiver of Program Rules Paragraph 2, bullet point 3	<p><u>Delete:</u> “cannot” from the sentence</p> <p><u>Replace with:</u> “should not”</p>
2.2.4 Special Waiver of Program Rules Paragraph 9	<p><u>Delete</u> paragraph 9</p> <p><u>Replace with:</u> <i>All public communications will be agreed between the Program Manager and the proponent. All agreed, actual and reasonable media and public relations costs relating to the Special Waiver will be met by the proponent.</i></p>
2.2.4 Special Waiver of Program Rules Paragraph 10	<p><u>Delete</u> paragraph 10</p>
2.2.4 Special Waiver of Program Rules Paragraph 11	<p><u>Delete</u> paragraph 11</p> <p><u>Replace with:</u> <i>Refer to Appendix C for the Special Waiver Application and Approval processes.</i></p>
Appendix C: Special Waiver Process Step 1	<p><u>Delete:</u> second sentence</p>
Appendix C: Special Waiver	<p><u>Delete:</u> “one month” from the sentence</p>

Process Step 2	<u>Replace with</u> : “10 business days”
Appendix C: Special Waiver Process Step 3	<u>Delete</u> : entire paragraph <u>Replace with</u> : <i>Complete applications are forwarded to the NGPSG for their decision at the NGPSG meeting immediately following the date of application. In reaching a decision, the NGPSG may need to request further information from the proponent.</i>
Appendix C: Special Waiver Process Step 4	<u>Delete</u> : “one month” from the sentence <u>Replace with</u> : “5 business days”

2. PROVISION FOR SMALL-SCALE GENERATION

Relevant sections: 1.3 Interaction with other schemes
3.8 Eligibility of LGCs
5.5 Treatment of SGUs

Previous versions of the Rules allowed for GreenPower generation from small-scale generation technologies unless a REC was created from solar water heaters or a “multiplier” had been applied. The proposed amended rules state that Small-scale Technology Certificates (STCs) created under the Small-scale Renewable Energy Scheme (SRES) will not be eligible for GreenPower accreditation. Origin does not support this change on the basis that small-scale generation units (SGUs) produce renewable energy and therefore should continue to be considered as GreenPower generators. Further, the SRES scheme solar credits multiplier will finish in 2014 (<http://www.orer.gov.au/squ/solarcredits.html>). To recognise these points, we propose the following changes:

Section	Proposal
1.3 Interaction with other schemes (paragraph 7)	<u>Remove</u> : <i>Only LGCs will be accepted within the GreenPower Program. STCs will not be accepted within the Program for 2011 compliance purposes.</i> <u>Replace with</u> : <i>Eligible LGCs and STCs will be accepted within the GreenPower Program.</i>
3.8 Eligibility of LGCs	<u>Remove</u> : entire section <u>Replace with</u> :

3.8 Eligibility of LGCs and STCs

LGCs and some STCs created by a GreenPower Generator are eligible for transfer against the requirement arising as a result of the sale of GreenPower generation. There is no requirement to transfer LGCs or STCs from the same GreenPower Generators as are used in the GreenPower Product.

Most LGCs created under RET are eligible to be transferred as specified under Section 3.7. For the avoidance of doubt and noting that RECs created by an SGU until the end of 2010 will be classified as LGCs:

- LGCs derived from the use of solar water heaters are **not** eligible to be used within the GreenPower Program*
- LGCs to which a multiplier has been applied under the Commonwealth Solar Credits Scheme will **not** be eligible for accreditation under the GreenPower Program*

Some STCs created under SRES are eligible to be transferred as specified under Section 3.7. For the avoidance of doubt:

- STCs to which a multiplier has been applied under the Commonwealth Solar Credits Scheme will **not** be eligible for accreditation under the GreenPower Program*
- STCs derived from the use of solar water heaters are **not** eligible to be used within the GreenPower Program*

f)

Update: remainder of document to reflect changes above

5.5 Treatment of SGUs

Remove: entire paragraph

Replace with:

Solar water heaters are not acceptable for the purposes of the definition of a GreenPower Generator.

*STCs created by SGUs under SRES are eligible for GreenPower accreditation **unless** a multiplier has been applied under the Commonwealth Solar Credits Scheme.*

--	--

**OTHER RECOMMENDATIONS ON THE GREENPOWER PROGRAM
ADMINISTRATION:**

Origin would like to take this opportunity to raise some other points around the administration of the GreenPower program.

- It is of vital importance that GreenPower providers have access to a comprehensive and up-to-date list of accredited generators. This list should include each generator's accreditation start and end dates. If this information is not available, it increases the administration and risk for both the GreenPower auditors and the GreenPower Providers in identifying the GreenPower accreditation status of REC holdings.
- Origin appreciates the opportunity to participate in this GreenPower Stakeholder consultation exercise and we welcome more frequent communications from the GreenPower program. We request that in future, the GreenPower Administrator notifies all GreenPower participants in writing of proposed rule changes or other forms of consultation in advance. Our preference would be for major stakeholder engagement exercises, such as rule change consultation, to be held where possible, outside of the busy February - March RET and GreenPower compliance period. We would also like to request the opportunity to give feedback on the draft annual compliance templates and proposed updates to the GreenPower website.

g)

I hope that our feedback has been useful. We are happy to discuss any aspect of our submission at anytime if this would assist the National GreenPower Steering Group.

Kind regards

Tim O'Grady

Head of Public Policy