

Response to Submissions on the Draft Program Rules Version 7

Submission from: Origin Energy

Issue Raised	Response
2.2.4 Special Waiver of Program Rules and Appendix C	
Replace requirement for unanimous vote with majority vote to avoid delays	Unanimous vote not likely to cause delays and it encourages a national approach.
Change the wording of the 3 rd waiver requirement to accommodate <i>unforeseeable and extraordinary events</i> .	Wording has been amended to better reflect NGPSG intent. Agree to remove the absolute expression 'cannot reoccur'.
The requirement for the proponent to meet all media costs could mean costs are incurred without consultation or limitation.	Amended to reflect that proponents will not be invoiced in excess of actual costs incurred.
Time lines for decision making. Suggest 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	A target of ten days has been incorporated into the Rules for the Program Manager's assessment of Special Waiver applications and notification of NGPSG decision. Special Waiver applications will also be considered at the following NGPSG meeting. A timeframe of five business days (for notification by the Program Manager of the final outcome) may be difficult to achieve given potential delays in the sign-off process.
Small Scale Generation. Sections 1.3, 3.8 and 5.5. Recommend inclusion of STCs unless a multiplier has been applied under the Commonwealth Solar Credits Scheme. They argue this on 2 grounds: that SGUs produce renewable energy; and the SRES scheme solar credits multiplier will cease in July 2014.	The Rules regarding STCs may be revised when the solar credits multiplier ends on July 2014. Complexity of distinguishing non-SSCS (non-multiplier) STCs from those with multipliers for audit purposes. Errors from Providers, and time spent by the Program Manager on assisting auditors with bulk PV generators is disproportionate to their deemed output (relative to other scheme generators). Also, deemed generation may exceed actual generation undermining credibility of GP scheme.

Submission from: Mr Tim Kelly

GP is a donation scheme not product scheme	Issue has been addressed before. Scheme information is not misleading. All marketing claims are checked by the Program Manager Marketing to ensure they fairly represent the operation of the GP scheme. There is merit in the suggestion that GreenPower emphasise that purchasing GreenPower encourages the generation of additional renewable energy rather than use of expressions that emphasise individuals being able to cut 'their' greenhouse gasses. Agreed Action: Consider new slogans consistent with development of the website and marketing material..
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<p>Call for NGERs to exclude renewable energy associated with GreenPower and voluntarily surrendered renewable energy certificates from being included in the calculation of state emission factors.</p>	<p>GP has no jurisdiction over NGERs accounting method. Mr Kelly has raised the issue in the NGERs consultation. The suggestion that the NGPSG should take itself to the Federal Court over misleading claims is not possible. Agreed Action: Anyone with evidence of misleading conduct may take such a case to court. The NGPSG will not instigate legal action against its own scheme..</p>
<p>Separate renewable from fossil fuel components in customer billing. Minimum renewable power percentages (RPP) to be shown on customer bills and charged accordingly and additional voluntary renewable energy shown above the RPP and charged accordingly. Defining 100% Renewable Energy Consumption as the RPP + the balance to equal 100% (minus transmission losses)</p>	<p>NGPSG has no jurisdiction over billing. The NGPSG supports clear and transparent billing. However, billing matters will be part of the National Electricity Customer Framework (NECF). With respect to the RPP the ACCC's guidelines on green marketing do not allow the making of environmental claims where the activity is a legal requirement. Agreed Action: The NGPSG will discuss billing with GreenPower providers including whether they are receptive to domestic products where the Green Power percentage is 100% minus RPP (this was discussed with Providers at the Providers Forum in 2011 – no Provider has expressed support for introducing such a product).</p>
<p>Single rule/standard for treatment of system losses</p>	<p>System losses are accounted for in LGCs and the provision in the Rules only existed for the purpose of GreenPower rights which no longer exist. This provision should have been removed but can be removed as it is obsolete but can be removed when the next version of the rules are adopted.</p>
<p>a) 100% GP customers should be protected against paying future carbon pass through costs unfairly, and should only need to pay carbon costs for any additional emissions caused by the need for spinning reserve in fossil fuel power plants required to cover the intermittency of renewables. b) Should pay to cover transmission losses. c) Should not pay for more than 100% renewable electricity (as is currently the case with GreenPower being charged above the minimum mandatory requirements) Should be provided with a definition that requires 100% to be made up of the mandatory RPP + the remainder of GreenPower to equal 100%, and incorporating the extra renewables required to cover transmission losses.</p>	<p>a). GreenPower is a premium on top of standard electricity charges for the purchase of LGCs to help bridge the price gap between non-renewable and new renewable generation. The GreenPower component is not for the purchase of 'green electrons'. Any perception that carbon tax pass-through is unfair for 100% GreenPower customers needs to be addressed through explanation of the product and marketing. It is difficult to estimate and cost the portion of 'spinning reserve' attributed to covering intermittency given operation of the NEM. WA uses a different arrangement for standby dispatch. The proposal lacks simplicity and would make explaining GreenPower more difficult. GreenPower prices are not regulated and rely on competition. The Commonwealth Government proposes to monitor price gouging relating to the carbon tax. b) Same response as previous response to transmission losses. c). Some providers offer a product like this for Commercial customers i.e. GP component is 100% minus RPP but the combined GreenPower + RPP can not be called 100%GP. The NGPSG can understand the appeal of such a proposal but implementation of such an option should not be mandated. It would be difficult to implement with adjustment of the RPP each year and part percentages don't lend themselves to simplicity. Agreed Action: This issue becomes more material as the RET ratchets up. The issue is to be discussed with GreenPower Providers.</p>
<p>Have a higher minimum % in blended products and express it as RPP+X% GP</p>	<p>Market research may provide more insight into reactions to the minimum 10%. In the absence of evidence that it pacifies people and prevents consideration of a higher % its</p>

	<p>not sound to conclude that it is token. 10% facilitates engagement with an audience that may not otherwise have considered issues regarding sustainable energy helping meet the GreenPower objective “To increase consumer awareness of Renewable Energy and greenhouse issues”. Greater clarity is needed on what will happen to the mandatory first offer when NECF commences. If residential customers are being lost because of price sensitivity then now is not a good time to raise the minimum percentage.</p> <p>Agreed Action: The NGPSG will continue to monitor residential take up rates and price sensitivity.</p>
Opposition to use of the expression “products” on grounds that GP tariffs are a ‘contribution’	<p>The argument that GP is not a ‘product’ because it can not be used/consumed by the customer is not correct. Customers purchase a commitment that an equivalent amount of generation will be sourced from GP accredited generation. Agreed Action: No action required</p>
The Steering Group should provide an avenue for householders and businesses to have genuine interactive representation on GreenPower issues as they apply to electricity customers	<p>The NGPSG considered a more expansive & informed public consultation for the generator review (the review did not take place as priority was given to completion of the Audit and work with the Commonwealth on accounting for GreenPower in the setting of emission caps). The NGPSG may not have the capacity to respond to every individual submission but the NGPSG aims to provide overall responses to issues raised during consultation by customers and other stakeholders.</p>
National Carbon Offset Standard – various issues raised.	<p>NGPSG to monitor Commonwealth consultation on NCOS and seek clarification on how GreenPower will be treated.</p>

Submission from: Moltoni Energy

Proposal to include mass burn incineration as an acceptable form of generation in the GreenPower Program.	<p>The technology proposed in the submission may be assessed in the next GreenPower generator review.</p>
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