

26 August 2022

National GreenPower Accreditation Program
NSW Office of Energy and Climate Change

Submitted via email: greenpower.admin@planning.nsw.gov.au

Dear Sir/Madam,

GreenPower Program Review 2022

Hydro Tasmania welcomes the opportunity to comment on GreenPower's consultation paper regarding the 2022 Program Review.

Hydro Tasmania is Australia's largest renewable energy generator and is an integrated energy business. Via our wholly owned retailer Momentum Energy (Momentum) we provide retail products on mainland Australia and the Bass Strait Islands. Both Hydro Tasmania and Momentum are accredited under the GreenPower program. It is on behalf of Hydro Tasmania and Momentum that this submission is provided.

GreenPower has been a significant contributor to the development of renewables in Australia since its inception, and we see a continued role for the program into the future. Given the significant changes in market circumstances since the launch of GreenPower, we believe the core intent of the program from 2022 should be to accelerate the adoption of renewable energy as the energy source of choice by consumers.

Consistent with this aim, there are several high-level principles we believe GreenPower should adhere to in achieving this goal:

- 1. Drive demand** – have an explicit focus on increasing consumer demand for renewable energy. Greater adoption in turn will encourage investment in renewables into the future.
- 2. Simplicity** – wherever possible, changes made by GreenPower should adhere to the principle of simplicity. Customers need clear, simple products they can understand and choose between – ensuring simplicity will support the continued uptake of GreenPower.
- 3. Consistency** – We support GreenPower being consistent with evolving processes in renewable energy certification, including the Clean Energy Regulator (CER) and the Department of Climate Change, Energy, the Environment and Water's (DCCEEW) Guarantee of Origin (GO) certification scheme. This national GO scheme is expected to include

certification of all renewable energy (including 'below-baseline' energy under the Renewable Energy Target). It is our view that GreenPower should focus on additionality until a national GO scheme can be established (which we believe should be as soon as possible). Once a GO scheme is established, GreenPower should be expanded to incorporate all renewable energy with customers seeking to purchase additional renewable energy able to access differentiated GreenPower products.

Attachment A contains our detailed responses to the consultation paper's questions. If you wish to discuss this submission or any related matter, please contact myself (colin.wain@hydro.com.au or 03 8612 6443).

Yours sincerely,



Colin Wain
Manager Policy Development

Attachment A: Detailed Responses to the Consultation Paper Questions

| Question | Consultation question | Response |
|-----------------|---|---|
| 1 (pg. 8) | Do you agree with the above market changes described being the main drivers impacting GreenPower's sales, public perception and its future role? Are there any other drivers not included here? | <p>Yes, Hydro Tasmania and Momentum agree with the issues discussed in the consultation paper.</p> <p>We note the significance of the Renewable Energy Target (RET) and the current trials occurring to develop a Guarantee of Origin scheme as significant drivers in the market.</p> |
| 2 (pg. 9) | Should a vintage requirement for GreenPower certificates be introduced, and what should the validity period be? Should it be 36 months, shorter, longer or why? | Hydro Tasmania and Momentum support the introduction of a 36-month 'vintage' requirement, on the basis that this aligns with international guidance. It also encourages the market to promote Greenpower at a similar pace to the generation of these certificates. |
| 3 (pg. 10) | Do you agree with GreenPower aligning its generator accreditation dates with the CER accreditation dates? If not, why? | Yes, Hydro Tasmania and Momentum support aligning the generator accreditation dates. We support consistency with national approaches wherever possible. |
| 4-6 (pg. 11) | <p>Does Option A sufficiently address the demand from stakeholders to recognise the RET for 100% renewable electricity claims? If not, why?</p> <p>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?</p> <p>The above proposal is a solution that can be</p> | <p>Option A will be simpler for retailers to implement, as it essentially allows for a continuation of the current GreenPower product offering and may represent a less confusing change for customers.</p> <p>Should market trends indicate that consumers' preference has shifted to the inclusion of the RPP in corporate reporting and targets, then Option B could be reconsidered to evolve with these market trends.</p> |

| | | |
|------------------|---|--|
| | <p>quickly implemented. Should GreenPower consider a different approach in its long-term program design?</p> | |
| 7 (pg. 12) | <p>Which minimum percentage do you think is the most appropriate if Option B noted in 4.3.2 is chosen, and why?</p> | <p>If Option B is implemented as above, we have a preference for 30% to be the minimum offered product (i.e. 15% RET + 15% LGCs). In our experience the current lower percentage products are quite popular with customers. This will also allow for those customers that have a renewable energy target (e.g. 30%, 50%, etc.) to purchase a product aligned with their specific target.</p> |
| 8 & 9 (pg. 14) | <p>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?</p> <p>Is there anything else that you think should be part of GreenPower’s mission statement?</p> | <p>We support changing GreenPower’s mission to the following:</p> <p><i>To accelerate the adoption of renewable energy as the energy source of choice by consumers.</i></p> <p>This statement is explained in detail below:</p> <ul style="list-style-type: none"> • <i>“Accelerate”</i> - implies urgency, consistent with the decarbonisation imperative under the Paris Agreement. • <i>“Adoption”</i> - the focus should be on encouraging consumer uptake to drive investment in renewables. • <i>“Energy”</i> - provides for a wider remit; Greenpower’s immediate focus should continue to be on electricity, with probable expansion to other renewable energy sources (e.g. renewable gases) at an appropriate time. |
| 10 & 11 (pg. 16) | <p>Please give each of the above items a score between 1 and 5 for how important it should be for the development of the program’s mission and objectives, 5 being of the highest importance. You can give the same score to several items.</p> <p>If you suggested a change to the program mission, what should be the corresponding objectives? What score would you give them?</p> | <p>As above, we believe the focus should be on increasing consumer demand for renewable energy. This should be reflected in the program’s objectives.</p> |

| | | |
|--------------------|---|---|
| 12 (pg.17) | Should GreenPower focus on maximum additionality, electricity carbon accounting, or should both types of products be supported? | It is our view that GreenPower should focus on additionality until a national GO scheme can be established (which we believe should be as soon as possible). Once a GO scheme is established, GreenPower should be expanded to incorporate all renewable energy with customers seeking to purchase additional renewable energy able to access differentiated GreenPower products. |
| 13 (pg.18) | Should a vintage requirement for GreenPower certificates be considered in the long-term design of GreenPower, and why? | Hydro Tasmania and Momentum support changing the certificate validity to 36-months as discussed in question 2 (pg. 9 of the consultation paper). This short-term change should be consistent in the longer term. |
| 14 (pg. 19) | Should GreenPower consider a generator age limit approach? If so, why? | We acknowledge that generator age will be one of several factors that should be considered when determining additionality. GreenPower will need to enable plant re-powering/refurbishment to be considered additional. This is an important issue that should be given careful consideration. |
| 15 & 16 (pg.19) | Should GreenPower restrict participating generators to new projects only? And if yes, why? How well would this option deliver on the GreenPower mission and objectives? Does this differ for households, small and large businesses? | We believe this would be a complex, and potentially counterproductive change. It would unnecessarily reduce the scope of the program. |
| 17 (pg.20) | Which organisations would be most suited to partner with GreenPower to drive awareness and uptake of GreenPower, and why? | We see value in the GreenPower brand undertaking marketing and partner strategies to increase consumer uptake. These strategies need to be targeted and well-planned. We would note that Momentum has invested considerable resources into raising consumer awareness and are actively undertaking marketing activities about GreenPower products. We see a continued and important role for retailers in driving demand for GreenPower. |
| 18 (pg. 20) | Would you support GreenPower increasing program fees so that the program manager can increase its marketing and promotional activities? | Any increase in marketing and promotional activities by the program manager of Greenpower would result in increased costs of Greenpower to end users of electricity. The ongoing affordability of Greenpower needs to be considered in conjunction with the rising costs of electricity due to many other factors in the market. |

| | | |
|---------------------------------|--|---|
| <p>19 & 20 (pg.21)</p> | <p>Should retailers be blocked from joining GreenPower if they sell green products that are not linked to renewable energy generation?</p> <p>What other changes to the program could provide the same level of clarity for consumers?</p> | <p>We believe retailers should be allowed to sell a range of products that suit customers' needs, including GreenPower and carbon offset electricity products. It is not GreenPower's role to determine which products should be sold.</p> |
| <p>21 (pg.21)</p> | <p>Should GreenPower set strict requirements for how providers promote GreenPower and onboard GreenPower customers, i.e. how easy it is to get GreenPower?</p> | <p>We are of the view that additional rules and guidelines could be potentially unhelpful. Additional rules could create confusion and require more effort/resources by retailers to ensure they are compliant.</p> |
| <p>22 & 23 (pg.22)</p> | <p>Are there any other customer segments that are unable to access GreenPower?</p> <p>How can GreenPower support more flexibility for small energy users to purchase small quantities of GreenPower, such as embedded network customers?</p> | <p>No response.</p> |
| <p>24 & 25 (pg. 24)</p> | <p>Should GreenPower reduce its accreditation requirements, or make them stricter and what do you think is the benefit of either approach?</p> <p>What are the most important aspects that GreenPower should consider in its generator assessment?</p> | <p>We support streamlining of requirements wherever possible, but no retrospective changes to generator accreditation requirements should occur (i.e. existing accredited generators should continue to be covered by existing requirements).</p> |
| <p>26 & 27 (pg. 24)</p> | <p>Do you see value in an official environmental rating for electricity retailers, and in</p> | <p>Momentum is an active participant of the Green Electricity Guide published by Greenpeace. We are of the view that if GreenPower were to develop such a rating system, it would be</p> |

| | | |
|-----------------------------|---|--|
| | <p>GreenPower developing this rating?</p> <p>How could this be made administratively efficient and commercially attractive for retailers that perform well environmentally?</p> | <p>an unnecessary duplication of the Greenpeace guide.</p> |
| <p>28 & 29 (pg. 25)</p> | <p>What would the minimum fund size need to be to provide material incentives for industry participation in reverse auctions?</p> <p>How could the fund's emissions reductions be allocated to investors or GreenPower customers?</p> | <p>We are of the view that this would be highly complex to establish and administer. It is likely beyond the scope and resourcing of the GreenPower program.</p> |
| <p>30 (pg. 25)</p> | <p>How important is 24/7 renewable electricity coverage to businesses in Australia? Are companies prepared to pay more than normal GreenPower for a 24/7 load-matched product accredited by GreenPower?</p> | <p>We would note this is not a requirement under the RET. We understand there is ongoing work in this space by Curtin University and UNSW. We suggest GreenPower consider this work in detail.</p> <p>Stricter requirements can sometimes inhibit uptake and support of renewables. We support simplicity of products wherever possible.</p> |
| <p>31 (pg. 26)</p> | <p>In your experience with GreenPower, is there anything else that could be done to improve the efficacy and effectiveness of the program?</p> | <p>No response.</p> |