



2 September 2022

National GreenPower Accreditation Program

Lodged by email: [Greenpower.admin@planning.nsw.gov.au](mailto:Greenpower.admin@planning.nsw.gov.au)

Dear Sir/Madam,

### **Response to GreenPower program review 2022**

Origin Energy Limited (Origin) welcomes the opportunity to provide comments on the strategic review of the GreenPower program.

Origin is a large Australian integrated energy company with activities in energy retailing, power generation, natural gas production and LNG export. Origin also has recent experience in exploring new product offerings and has focused on areas such as solar & storage, connected homes, electric vehicles (EVs) and future fuels including hydrogen.

Origin unequivocally supports the Paris Agreement and we have just released our first Climate Transition Action Plan outlining the company's strategy and ambition to lead the energy transition through cleaner energy and customer solutions. We have included new targets to accelerate emissions reduction across Origin and create value for shareholders, towards a long-term ambition to be net zero emissions by 2050.

We have been a longstanding supporter of the GreenPower program that enable customers to directly support the growth of the renewable electricity generation in Australia. While GreenPower program has had great success to date, it is important to renew and refocus efforts to ensure this continues, especially at such a critical point in the energy transition.

We provide responses to the specific consultation paper questions in the attached table.

If you wish to discuss any aspect of this submission further, please don't hesitate to contact me.

Yours sincerely,

A handwritten signature in black ink that reads "Elizabeth Robertson".

Elizabeth Robertson  
Carbon Integration Manager  
Origin Energy Limited  
+61 475 961 387 – [elizabeth.robertson@originenergy.com.au](mailto:elizabeth.robertson@originenergy.com.au)



**Attachment A: Responses to consultation paper questions**

<b>Question</b>	<b>Issue</b>	<b>Draft Origin Response</b>
1. Page 8	Do you agree with the market changes described being the main drivers impacting GreenPower sales, public perception, and its future role?	<ul style="list-style-type: none"> <li>• While we agree with the drivers listed in the paper, we have observed heightened interest in all Environmental products from residential consumers “wanting to do their bit” through to large commercial and industrial consumers with decarbonisation plans. When engaging with current and potential customers we do try to understand their renewable and emissions ambitions.</li> <li>• The premium which GreenPower LGCs attract compared with offerings such as offsets has resulted in many selecting cheaper products due to the current economic climate, customers are particularly price sensitive at present.</li> <li>• We recommend GreenPower renew their efforts and consider additional avenues to enable public understanding and awareness through marketing, public webinars and basic decarbonisation plan templates in laymen’s terms.</li> </ul>
2. Page 9	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?	<ul style="list-style-type: none"> <li>• A vintage requirement would be a simple measure to ensure renewable generation is more closely aligned to the year of use, thereby driving additionality. We are broadly supportive and suggest a period no shorter than 36 months.</li> </ul>
3. Page 10	Do you agree with GreenPower aligning its generator accreditation dates with the CER accreditation date? If not, why?	<ul style="list-style-type: none"> <li>• We strongly encourage GreenPower alignment with CER accreditation. Such a change would reduce administration and improve efficiencies.</li> </ul>
4. Page 11	Does Option A sufficiently address the demand from stakeholders to recognise the RET for 100% renewable electricity claims? If not, why?	<ul style="list-style-type: none"> <li>• Option A appears to address 100% renewables claim confusion however, we believe there are complexities involved in such a change, therefore we would require greater detail to understand how this would work. Examples of a non-exhaustive list of questions are below; <ul style="list-style-type: none"> <li>- Could you please describe what additional requirements might be involved in an audit to facilitate option A?</li> <li>- There are challenges associated with data that crosses financial year and calendar year. How might such challenges be addressed?</li> <li>- Would the year-to-year movement of the RET and liabilities or shortfalls interact with GreenPower products?</li> </ul> </li> <li>• Greater detail on these options will help us provide a recommendation.</li> </ul>

5. Page 11	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?	<ul style="list-style-type: none"> <li>• An overhaul such as Option B provides simplicity. Difficulty to understand a product and explain it to their own customers or internal departments might even be considered a barrier to engagement as advocates within a business struggle to justify the premium associated with a GreenPower product.</li> <li>• Option B does present quite a disruption to customers on plans of less than 100% and is an important consideration.</li> <li>• Fixing the RET percentage presents a neat way of managing RET inclusion into products, however, does not accurately account for the full percentage of the RPP.</li> </ul>
6. Page 11	The above proposal is a solution that can be quickly implemented. Should GreenPower consider a different approach in its long-term program design?	<ul style="list-style-type: none"> <li>• While there is keen interest in the carbon space it is best to capitalise on the opportunity and move with the chosen option at speed.</li> <li>• In both options for the first quarter of the year retailers will likely have to rely on prior years RPP until the current year value is published (legislated to be released by 31st March each year).</li> </ul>
7. Page 12	7. Which minimum percentage do you think is the most appropriate if Option B noted in 4.3.2 is chosen, and why? - 30%, adding the RET percentage to the current minimum of 10% - 50%, meaning the voluntary component is always larger than the mandatory RET - 100%, meaning there would no longer be any products with less than 100% renewable electricity. This would include the RET percentage (RPP).	<ul style="list-style-type: none"> <li>• We recommend choice 1, 30%. This provides an opportunity for those at the beginning of their renewable energy journey to engage and set step up aspirational commitments. Options 2 and 3 would likely see some participants drop out, however, we would also be supportive if we start at 30% and build a trajectory going forward to increase the minimum to allow for this transition.</li> </ul>
8. Page 14	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?	<ul style="list-style-type: none"> <li>• Yes, inclusion of emerging technologies in the accreditation would likely encourage 'Green' Hydrogen demand and thereby encourage investment such new technologies.</li> </ul>
9. Page 14	Is there anything else that you think should be part of GreenPower's mission statement?	<ul style="list-style-type: none"> <li>• No.</li> </ul>

10. Page 16	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.	<ul style="list-style-type: none"> <li>• As stated in the consultation paper, sales peaked in 2010 even though there is currently general heightened awareness regarding renewable energy and climate change, therefore options #1, #3 and #7 need to be a focus for GreenPower.</li> <li>• In the public's eyes GreenPower needs to clearly differentiate themselves from Climate Active to avoid cannibalisation. It is important potential customers understand why GreenPower attracts a premium. Greater awareness regarding RE100 alignment may also be helpful to customers.</li> <li>• Tied second are #5e and #6. They need to be high priorities as the provenance and assurance GreenPower provides for customers is a significant part of its value proposition.</li> <li>• Third tier priorities are #5a, #5b, #5c and #5g. Affordability (#5d) will come with competition and technology maturity. Encouraging demand will support progression down the cost curve. Suggest #5f and #2 will be achieved if 5a,b,c,g are accomplished.</li> </ul>
11. Page 16	If you suggested a change to the program mission, what should be the corresponding objectives? What score would you give them?	<ul style="list-style-type: none"> <li>• (2) facilitate the installation of new renewable energy generators across Australia beyond mandatory renewable requirements</li> <li>• (1) encourage growth in consumer demand for renewable energy</li> <li>• (3) provide consumer choice for, and increase confidence in credible renewable energy products</li> <li>• (1) increase consumer awareness of renewable energy and greenhouse issues</li> <li>• (2) decrease greenhouse gas emissions associated with electricity generation.</li> </ul>
12. Page 17	Should GreenPower focus on maximum additionality, electricity carbon accounting, or should both types of products be supported	<ul style="list-style-type: none"> <li>• Both additionality and quality carbon accounting are paramount to achieving the goal of encouraging new renewable generation. The provenance and integrity GreenPower products provide are critical to its success and sets it apart from other products.</li> </ul>
13. Page 18	Should a vintage requirement for GreenPower certificates be considered in the long-term design of GreenPower, and why?	<ul style="list-style-type: none"> <li>• A vintage requirement would ensure generation of renewable energy closer to the applicable consumption period.</li> </ul>
14. Page 19	Should GreenPower consider a generator age limit approach? If so, why?	<ul style="list-style-type: none"> <li>• While we are supportive of potential LGC vintage limitations, we are not for those of generators. Solar and wind farm owners are already facing changes with transmission factors, to remove a revenue source which may have already been included in FID years ago may result in investors take caution being involved with</li> </ul>

		GreenPower with such a significant change and opt into other schemes, such as I-REC.
15. Page 19	Should GreenPower restrict participating generators to new projects only? And if yes, why?	<ul style="list-style-type: none"> <li>It is difficult to provide an opinion without greater detail regarding the transition period. If it is done too quickly the cost of GreenPower may be prohibitive for many customers.</li> </ul>
16. Page 19	How well would this option deliver on the GreenPower mission and objectives? Does this differ for households, small and large businesses?	<ul style="list-style-type: none"> <li>No comment.</li> </ul>
17. Page 20	Which organisations would be most suited to partner with GreenPower to drive awareness and uptake of GreenPower, and why?	<ul style="list-style-type: none"> <li>Local councils (Engage wider community so they can make better decisions)</li> <li>Public libraries (Engage wider community so they can make better decisions)</li> <li>Schools (Engage young people so they can make better decisions)</li> <li>Australia Post (People pay energy bills there)</li> <li>Energy Made Easy (Energy bill comparison site <a href="https://www.energymadeeasy.gov.au/">https://www.energymadeeasy.gov.au/</a>)</li> <li>Buy.nsw (SME and regional procurement <a href="https://buy.nsw.gov.au/policy-library/policies/sme-and-regional-procurement-policy">https://buy.nsw.gov.au/policy-library/policies/sme-and-regional-procurement-policy</a>)</li> <li>Business Council of Australia (<a href="http://bca.com.au">bca.com.au</a>)</li> <li>Women's Financial Tool kit (<a href="https://www.nsw.gov.au/toolkits-and-resources/womens-financial-toolkit">https://www.nsw.gov.au/toolkits-and-resources/womens-financial-toolkit</a>)</li> <li>Clean Energy Council (<a href="https://www.cleanenergycouncil.org.au/">https://www.cleanenergycouncil.org.au/</a>)</li> </ul>
18. Page 20	Would you support GreenPower increasing program fees so that the program manager can increase its marketing and promotional activities?	<ul style="list-style-type: none"> <li>Current fees are based on each provider's market share of Greenpower sales. The added increase cost of advertising should not be passed on to the providers but absorbed incrementally in the fee increase every year.</li> </ul>
19. Page 21	Should retailers be blocked from joining GreenPower if they sell green products that are not linked to renewable energy generation?	<ul style="list-style-type: none"> <li>Retailers need to provide a range of options for customers as each customer has their own priorities and goals, they are at different stages of their decarbonisation journey and this needs to be accommodated.</li> </ul>
20. Page 21	What other changes to the program could provide the same level of clarity for consumers?	<ul style="list-style-type: none"> <li>Further awareness &amp; education on the GreenPower program to the general public and to market itself as a premium product. It needs to show customers where it fits into the energy landscape e.g. RE100 alignment. We suggest the following</li> </ul>

		examples: templates for companies to access programs, steps to decarbonise and clarification of terms may help with greater engagement. Monthly workshops for SMEs or for local council via webinars may also support public understanding as well as TV/radio commercials so consumers become more aware (e.g. Australian Made and its logo is well recognised and understood in the public domain)
21. Page 22	Should GreenPower set strict requirements for how providers promote GreenPower and onboard GreenPower customers, i.e. how easy it is to get GreenPower?	<ul style="list-style-type: none"> <li>We don't believe a strict requirement will help assist customers. There may be circumstances or situations where providers are constrained, or technically and/or financially for a temporary period of time. If strict requirements come into play, there is a risk some providers exit the program if it becomes too difficult.</li> </ul>
22. Page 22	Are there any other customer segments that are unable to access GreenPower?	<ul style="list-style-type: none"> <li>No comment.</li> </ul>
23. Page 23	How can GreenPower support more flexibility for small energy users to purchase small quantities of GreenPower, such as for embedded network customers?	<ul style="list-style-type: none"> <li>While partnering with councils, banks and supermarkets would provide greater visibility, are the latter two organisations the most appropriate with which to align? A small pilot in a region or suburb may provide insight to the likely expense and success. Current inflation may see limited uptake of separate energy and GreenPower.</li> </ul>
24. Page 24	Should GreenPower reduce its accreditation requirements, or make them stricter; and what do you think is the benefit of either approach?	<ul style="list-style-type: none"> <li>Where technologies are mature, such as wind and solar, we recommend a reduction on accreditation requirements to a level that is fit for purpose. This efficiency saving should enable reviewers to consider newer technologies where greater scrutiny may be necessary.</li> </ul>
25. Page 24	What are the most important aspects that GreenPower should consider in its generator assessment?	<ul style="list-style-type: none"> <li>The most important aspect in generator assessment should be whether or not it is a renewable generator.</li> </ul>
26. Page 24	Do you see value in an official environmental rating for electricity retailers, and in GreenPower developing this rating?	<ul style="list-style-type: none"> <li>It is highly likely that retailers would not be prepared to disclose commercially sensitive arrangements such as hedging. Overall environmental ratings are also achieved through various other reports.</li> </ul>
27. Page 24	How could this be made administratively efficient and	<ul style="list-style-type: none"> <li>See above.</li> </ul>

	commercially attractive for retailers that perform well environmentally?	
28. Page 25	What would the minimum fund size need to be to provide material incentives for industry participation in auctions?	<ul style="list-style-type: none"> <li>• No comment.</li> </ul>
29. Page 25	How could the fund's emissions reductions be allocated to investors or GreenPower customers?	<ul style="list-style-type: none"> <li>• No comment.</li> </ul>
30. Page 25	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?	<ul style="list-style-type: none"> <li>• In future as the renewable electricity market grows and matures this may be feasible.</li> </ul>
31. Page 26	In your experience with GreenPower, is there anything else that could be done to improve the efficacy and effectiveness of the program?	<ul style="list-style-type: none"> <li>• A consideration to allow a subsequent audit for annual reporting be done covering 2 years rather than an audit each year may work out cost effective and result in same outcome.</li> <li>• The GreenPower website and a newsletter could showcase selected providers along with trends or sales growth statistics.</li> <li>• Publication of information from the annual audit report on the website regarding performance, providers and their product offering could be useful for the public.</li> <li>• GreenPower could conduct desktop audits for selected providers each year and provide specific areas to improvement or share learnings with others in a similar way to the LRET.</li> </ul>