

19 August 2022

GEA RESPONSE TO GREENPOWER'S PROGRAM REVIEW

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?

GEA agrees that changes to GreenPower are needed to respond to this new market environment and make the program future ready, most importantly, new certifications being developed for renewable gases.

This should include the recognition of other renewable gases, such as bioLNG, biopropane and renewable DME. These alternative gases can reduce carbon emissions and be used and certified in exactly the same way as biomethane and hydrogen. It makes sense to have as many runners in the renewables race as possible, with the application of these emerging gases relieving pressure on the electricity grid.

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?

36 Months

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?

It is essential. GEA considers that GreenPower's mission should not be limited to renewable electricity, rather that all forms of renewable energy, such as gas and transport fuels, need to be included. As mentioned in the consultation paper, 'an accreditation program like GreenPower could provide a recognisable brand for consumers to know that the product meets their sustainability criteria.' This must be seen in a technology-neutral light, pivotal to supporting the development of renewable energies, including gas and transport fuel markets in Australia, and support for a customer base demanding these renewable energy forms. In the case of gases, in many cases they cannot be replaced by electricity – i.e. in manufacturing as both as heat source generating extreme temperatures and as an essential feedstock. Further, many commercial and household consumers prefer gas as a superior, more effective product. While the vast amount of rural and regional communities have no alternative where electrification upgrades to supply are either put off into the long-term future or not planned for at all.

Is there anything else that you think should be part of GreenPower’s mission statement?

The mission has three parts – firstly, to support the Australian renewable energy sector, secondly to reduce greenhouse gas emissions from electricity generation, and thirdly to provide consumer choice to purchase renewable energy anywhere on the grid.

GEA supports 1 and 3. However, part 2 is unnecessarily limited in scope. Greenpower should embrace the full suite of renewable options to deliver renewable energy... electricity is just one option. Further, gas – including renewable, net zero gases – will be vital to supporting the electricity network, both as a generator of electricity and also as a complementary energy source. Failing to recognise this reality in the mission risks a vast swathe of missed opportunities to achieve the most efficient, effective and reliable renewable energy for customers – commercial, industrial and household.

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.

#	Objective	Score
1	Increase awareness and demand for voluntary renewable energy products	5
2	Decrease nationwide greenhouse gas emissions from energy use	5
3	Support new voluntary markets for emerging renewable energy and fuel types	5
4	Provide access to renewable energy products that:	
5a	<ul style="list-style-type: none"> are 100% renewable 	2
5b	<ul style="list-style-type: none"> lead to new and additional renewable energy projects being built and dispatched 	5
5c	<ul style="list-style-type: none"> are transparent, independently audited and assured 	3
5d	<ul style="list-style-type: none"> are affordable 	3
5e	<ul style="list-style-type: none"> are aligned with best practice carbon accounting frameworks 	3
5f	<ul style="list-style-type: none"> enable consumers to reduce and avoid energy-related emissions 	3
5g	<ul style="list-style-type: none"> support best practice in renewable energy development to improve environmental, social and economic outcomes in their host communities 	4
6	Advocate for consistent and best practice renewable energy and carbon accounting	3
7	Advocate for best practice energy product marketing to enable informed decision making by consumers	3
8	Other: _____	

Should GreenPower consider a generator age limit approach? If so, why?

No. GEA considers that there should not be a generator age limit. Investment and development of new generating projects is usually done with longer term income projections and GreenPower certificates would be considered within this. If a project is only able to claim GreenPower certificates for 3-5 years, the economic benefit of proceeding with the project would be reduced, which would result in reduced renewable energy generation, which goes against the GreenPower mission.

Should GreenPower restrict participating generators to new projects only? And if yes, why?

No, this would be short-sighted. The ability for existing generators to transition to renewable energy production is a key and should not be discouraged.

How well would this option deliver on the GreenPower mission and objectives? Does this differ for households, small and large businesses?

Many small, medium and large businesses rely on gas as an essential and irreplaceable part of their operations... as a heat source (generating over 1,300 degree Celsius temperatures for manufacturing) that electricity cannot replicate, and as a feedstock (an ingredient in the making of glass, rubber, plastics, pharmaceuticals, fertilisers, car parts, etc.). Ignoring these practical realities would be a mistake.

Which organisations would be most suited to partner with GreenPower to drive awareness and uptake of GreenPower, and why?

Any generator of renewable energy. GEA represents the downstream gas industry that is dedicated to achieving renewable, net zero gases to meet Australia's clean energy needs across a large and diverse commercial and industrial base, in addition to households. As such, through our members, we reach in practical terms more than 7 million Australian homes and over 130,000 businesses every day. Would you support GreenPower increasing program fees so that the program manager can increase its marketing and promotional activities?

This would have to be assessed depending on the marketing and promotional activities (and their messages) being driven... and to whom.

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

No.

What other changes to the program could provide the same level of clarity for consumers?

Inclusion of the full suite of emerging renewable options to inform consumers of their choices in this emerging space. As is always the case with communicating with consumers, this isn't about telling them what to do or trying to socially engineer responses/decisions, rather consumers should be provided with the options and empowered to make their own choices.

Should GreenPower set strict requirements for how providers promote GreenPower and onboard GreenPower customers, i.e. how easy it is to get GreenPower?

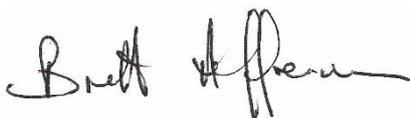
There needs to be a robust set of guidelines to ensure ethical conduct. Equally, there needs to be recognition this is an emerging energy space, with new approaches and technologies being brought to bear all the time. Therefore, guidelines should not be prescriptive as to what energy source is required, or even preferred, rather that all energy sources that deliver renewable energy are valid and should be assessed with regard to consumer needs.

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

Determining the environmental rating of a particular energy source is not always straight forward. As such, any rating system developed by GreenPower would need to be assessed on the guidelines for these ratings. A ratings system should not seek to impose preferences on consumers but rather help them make an informed decision regarding the environmental profile of energy sources.

More detail would be required to make an informed decision on this issue.

Yours sincerely

A handwritten signature in black ink, appearing to read "Brett Heffernan".

Brett Heffernan
Chief Executive Officer
Gas Energy Australia