



C/O - MAROONDAH CITY COUNCIL
179 MAROONDAH HWY
RINGWOOD VIC 3134

WWW.EAGA.COM.AU

30 August 2022

National GreenPower Accreditation Program
NSW Office of Energy and Climate Change
Locked Bag 5022
Parramatta NSW 3124

greenpower.admin@planning.nsw.gov.au

To whom it may concern,

Re: Review of the GreenPower program

The Eastern Alliance for Greenhouse Action (EAGA) welcome the opportunity to respond the review of the GreenPower program. EAGA is a formal Alliance of eight councils in Melbourne's East, committed to delivering climate change mitigation and adaptation projects and advocating for initiatives that support sustainable, low carbon communities. We recommend the review addresses the following issues:

Ensure the additionality of emission reductions from all voluntary GreenPower and LGC purchases

We urge the Government to rectify the current ambiguities relating to voluntary purchases of GreenPower/large-scale generation certificates (LGCs) as a carbon management strategy. Specifically, we recommend the development of an appropriate framework for reconciling claimed emission reductions from GreenPower/LGC purchases with abatement that is additional to Australia's obligations under the Paris Agreement.

This is particularly important for the 46 the Victorian councils who have recently committed to a long term renewable energy Power Purchasing Agreement (PPA) as a means of reducing their corporate emissions.¹ Many of these councils make carbon neutral claims through the Federal Government's Climate Active program. In its current format, Climate Active allows for the purchase of GreenPower (or surrender of LGCs) to be counted as a carbon reduction measure for organisations wanting to claim carbon neutrality. For carbon accounting purposes, this represents a significant uncertainty as the Government has not yet committed to establishing a process for retiring an equivalent number of international units. Failure to do so means that this abatement will occur regardless under Australia's new emissions target. Ensuring the additionality of voluntary action is critical for any organisations making assertions regarding the environmental benefits of their GreenPower/LGC purchases.

The voluntary cancellation of international units is possible under Part 6 of the *Australian National Registry of Emissions Units Act 2011*. The Act in s 64B(3)(c) allows for the Minister to direct the Clean Energy Regulator to cancel units for a range of activities, including renewable energy purchases. This process can make a material impact on Australia's emissions trajectory, for instance in 2021²:

- 38.9 million LGCs supplied (38.9 TWh)
- 5.8 million LGCs (5.8 TWh) voluntary purchased (2.2 million by ACT government, 3.6 million through GreenPower or PPAs by organisations)
- 188.6 TWh consumed throughout the NEM, 5.8 TWh renewable purchase is 3.1% of total consumption

¹ [The Victorian Energy Collaboration](#)

² Data provided by 1Cercle

It is therefore critical that the Government adopts a transparent and timely process to retire any international units that are freed-up by voluntary GreenPower/LGCs purchase. This will ensure that the integrity of the scheme is not undermined and associated environmental claims are credible and robust. In addition, the GreenPower review, and parallel review of the Australian Carbon Credit Units (ACCU) scheme, provides the opportunity to retrospectively cancel units from previous years to ensure the voluntary action already taken by councils, businesses and households have made an actual impact on total emissions to the atmosphere.

Transition to a scheme that focuses on affordability and ensures abatement additionality

EAGA councils acknowledge that the Renewable Energy Target (RET) scheme was conceived to drive investment in new generation projects and that LGCs were not necessarily intended to have a prescribed environmental benefit. Now that the RET has been met and there is an over-supply of certificates from existing generators, there is a clear need to transition to a new scheme with new rules designed to maximise affordability for end users, whilst ensuring zero emissions electricity.

Refocusing GreenPower's objective on certification of zero emissions electricity should make the program more coherent, affordable, and attractive to consumers. Consumer confidence in the GreenPower brand is vital to program's long-term success. Claims to zero emissions electricity and emissions reduction are central to the value proposition of the product, and as such the GreenPower program must align with best practice carbon accounting standards.

Drive demand through promotion and partnerships

The scheme should be complimented by actions that grow the demand for the program. Councils already play a key role in promoting voluntary renewable energy uptake and are well placed to partner with the GreenPower program to drive community awareness of accredited products. We urge the Government to expand the scope of GreenPower and provide additional resources and funds to support partnerships with councils that scale-up existing community engagement programs and trial new initiatives.

If you have any questions or queries relating to this letter, please contact Scott McKenry, EAGA Executive Officer, on scott.mckenry@maroondah.vic.gov.au or 0431 133 592.

Yours sincerely,



Cr Jude Dwight
Executive Committee Chair
Eastern Alliance for Greenhouse Action
Councillor, Knox City Council



This letter has been approved through EAGA's formal governance structure as described in the EAGA Memorandum of Understanding 2021-25. The submission may not have been formally considered by individual member councils.