

# National Green Power Accreditation Program

## Accreditation Document

Version 1

January 2000



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## 1. The National Green Power Accreditation Program

### 1.1 Green Power Accreditation Background

In 1997, SEDA established the Green Power Accreditation Program to accredit electricity retailers' Green Power products. This was developed in consultation with the energy industry, and various non-government organisations including the Australian Consumers Association, Greenpeace, the Australian Conservation Foundation and the World Wide Fund for Nature.

This Program was initially launched in April 1997 with six NSW and two Victorian retailers offering accredited Green Power Products. Since the initial launch, additional retailers in Queensland (2), Victoria (3), ACT(1) and South Australia (1) have committed to join the program.

Subsequently, other state government bodies became interested in offering accreditation outside of NSW. To minimise duplication of accreditation reporting requirements on retailers, and confusion to consumers over the various accreditation programs, it became clear that a single national accreditation program would be the preferred approach.

Accordingly, the National Green Power Accreditation Program is now to be jointly offered by all participating jurisdictions.

### 1.2 National Green Power Accreditation Program

The aim of the **National Green Power Accreditation Program** is to facilitate the installation of new Green Power electricity generators, with a view to reducing greenhouse gas emissions. It will do this by increasing consumer awareness of, and confidence in, products provided by Green Power retailers, thereby promoting their successful market entry and penetration.

The Accreditation Program is an independent fitness test for products offered by Green Power retailers. Those that meet the Accreditation Criteria earn the right to use the Green Power Product logo, providing customers assurance that their products adhere to these requirements and that monies will be put towards the purposes expected.

The development of Green Power products may also help retailers meet licence conditions in some states, relating to the reduction in greenhouse gas emissions, as well as targets for the introduction of new renewable generation. It is anticipated that Green Power products will prove to be a profitable commercial venture.

Both retailers and customers will benefit from promotional packages, developed by the Program's State and Commonwealth participants, which includes the use of the Green Power logos at no cost, and may include joint promotional events and advertising through both print and electronic media.

### 1.3 Role of Government Representatives

The National Green Power Accreditation Program is a joint program established by the following government agencies:

- Sustainable Energy Development Authority (SEDA) [NSW]
- Energy Efficiency Victoria (EEV) [VIC]
- Western Australia Office of Energy [WA]
- Queensland Department of Mines and Energy [QLD]
- South Australian Office of Energy Policy [SA]
- ACT Department of Urban Services [ACT]
- Australian Greenhouse Office [Commonwealth]

In correspondence with

- Tasmanian Office of Energy Policy & Conservation [Tas]
- Northern Territory Department of Mines and Energy [NT]



These agencies are responsible for:

- jointly establishing common accreditation criteria
- dissemination of Green Power information (status reports etc) within their jurisdiction
- jointly enlisting a Project Manager (or Project Managers) to carry out the administration of the Program

Collectively, these agencies form the National Green Power Accreditation Steering Group (NGPASG) for Green Power.

The Project Manager appointed by the NGPASG carries out the administration of the Program on behalf of the NASG. A Green Power retailer or generator has the right to appeal to the NGPASG if there is a dispute over the Project Manager's decision. The decision of the NGPASG is final and cannot be contested.

These agencies may also co-ordinate information and education campaigns within their jurisdiction. These campaigns may include advertising, joint promotional events with retailers, public meetings and seminars, and presentation of information in hard copy and on internet sites. These campaigns will support efforts by retailers, but will not replace the need for retailers to carry out their own marketing.

#### *1.4 Role of the Project Manager*

The Project Manager<sup>1</sup> is responsible for the administration of the program, on behalf of the participating government agencies, in the following areas:

- Initial and ongoing accreditation of products/generators against the current criteria
- Execution of contracts with Green Power retailers, on behalf of the NASG
- Preparation of report formats and collation of reporting statistics<sup>2</sup>
- Collation of annual audit reports<sup>2</sup>
- Preparation of amendments to the rules of the accreditation program<sup>3</sup>
- Removal of accreditation of retailers who fail to meet the accreditation criteria<sup>3</sup>
- Approval of Green Power electricity generators
- Provision of reporting statistics and related information to participating agencies, retailers, customers, and consumer groups
- co-ordinating consultation and act as contact point for stakeholders including green groups, Consumer groups and electricity generator owners and retailers with regard to changes to the accreditation document or program

<sup>1</sup> Some jurisdictions may elect to assume responsibility for certain accreditation and reporting activities through the appointment of a Local Project Manager. References to "Project Manager" in this document therefore refer to the collective responsibilities of the Project Manager and a Local Project Manager if applicable.

<sup>2</sup> These areas may be outsourced to contractors acting on behalf of the Project Manager.

<sup>3</sup> After consultation and agreement with the NASG

## **2. National Green Power Accreditation Marketing**

### *2.1 Introduction*

Various government agencies run marketing campaigns to increase awareness of Green Power. These campaigns are designed to increase awareness in the community, and thereby increase Green Power sales for all retailers. They will support efforts by retailers, but will not replace the need for retailers to carry out their own marketing.



## 2.2 Marketing and Accreditation Products

Under the Program, customers and retailers will have access to a range of Accreditation Products. These will be made available by the Project Manager, and include:

- the Green Power Product Logo for use by retailers on any promotional materials;
- the Green Power Customer Logo for use by customers who meet certain requirements;
- the Green Power Generator Logo for use by new Green Power generator owners;
- annual audit reports covering all Accredited Green Power Products;
- quarterly status reports covering all Accredited Green Power Products;
- production of a range of promotional material for distribution to target audiences;
- a certificate signifying accreditation.

For further details, please contact the Project Manager.

## 2.3 The Green Power Logos

Under the National Green Power Accreditation Program, three logos have been developed to build recognition of Green Power products customers and new Green Power generators. To strengthen the effect of these efforts, common logos have been developed for use across Australia.

It is important that retailers support the recognition of Green Power and the connections between government approval and accreditation processes and overall enhancement of the Green Power concept. Accordingly, retailers are required to use the Green Power Product logo in advertisements and published material associated with their Green Power Products. Details are contained in the contract to be signed by retailers. Conditions of use are available in a document entitled "The Green Power Product Logo - Guidelines for Green Power retailers", available from the Project Manager.

Customers may be entitled to use the Green Power Customer Logo if they meet certain requirements, contained in a separate document entitled "The Green Power Customer Logo - Guidelines for Corporate Customers". This document also describes how and where the logos can be used, and is available from the Project Manager. Green Power retailers can also provide this document to corporate Green Power customers.

Generator owners are entitled to use the Green Power Generator logo where more than half of the output of the generator is classified as 'new' Green Power generation. Additional requirements are contained in a separate document entitled "The Green Power Generator Logo - Guidelines for Green Power Generators". This document also describes how and where the logos can be used, and is available from the Project Manager.

## 2.4 Retailer Promotion and Marketing

It is important that customers are made aware that Green Power Products reduce the demand from fossil-fuel based generators, and therefore reduce greenhouse gas emissions.

It is also important that customers recognise how simple it is to choose the Product. Experience has shown that some potential customers are under the misapprehension that they need to have space available for the 'green' generators in their own back yard, or on their own rooftop. Others believe that a second electricity cable will be connected to their house to separate 'green' electrons from black. These impressions can easily be avoided.

Green Power retailers are required to purchase Green Power for their own electricity retailer energy use (see 5.3.4). This internal support of the Products will assist retailers in marketing to their potential customers, and may also help fulfil environmental conditions of retail licenses, in some jurisdictions.

The Project Manager will make available the following information for customers:-

- Generator names and types for each Green Power Product
- Percent by type of generation for each Green Power Product (from quarterly/annual reports)



- Percentage of new generation for each Green Power Product (from quarterly/annual reports)
- The typical price range for each generation type

Retailers are required to provide this information to new and potential customers at their request, in accordance with Section 5.3.1.

### 3. What is a Green Power Product?

#### 3.1 Types of Green Power Product

Green Power products can be broadly classified into two categories.

*Energy-based Green Power Products (Green Power Tariffs)* are those that provide a 'green' tariff option to electricity purchasers. The retailer commits to purchasing an equivalent amount of energy from Green Power approved electricity generators to the amount of Green Power energy requested (purchased) by the customer.

*Contribution-based Green Power Products (Green Power Funds)* are those which enable customers to make a regular or intermittent cash donation to a development fund for Green Power electricity generators. The funds are then used to purchase new Green Power electricity generators. Generally, the size of the consumer contribution is unrelated to electricity consumption levels.

#### 3.2 Accreditation of Green Power Products

Green Power Products accredited by SEDA under its program and which meet these criteria will automatically be accredited under this National Green Power Accreditation Program.

Under the National Green Power Accreditation Program contribution-based products will be phased out. Retailers with existing accredited contribution-based Products may retain their accreditation until the expiration of existing agreements with the accreditation authority. New contribution-based products will not be accredited under this Program.

#### 3.3 Green Power Generator Definition

Under the Accreditation Program, a Green Power generator is defined as 'an electricity generator that results in greenhouse gas emission reduction, nett environmental benefits, and is based primarily on a renewable energy resource' and complies with the guidelines in Appendix A. The major renewable electricity generation types include:

- Solar Photovoltaic and Solar Thermal Electric Systems
- Wind Turbines and Wind Farms
- Hydro-Electric Power Stations
- Biomass-Fired Generators
- Geothermal Power Stations
- Wave and Tidal Power Stations.

Details about the eligibility of each of these types and other considerations are found in Appendix A.

Please note that "primarily based on a renewable energy resource" means that more than half of the energy output can be attributed to a renewable energy resource.

Some generation technologies, including fossil-fuel based cogeneration and coal-bed methane generation, may substantially reduce greenhouse gas emissions but still be based on fossil fuels. These generators will not be considered under the Green Power program.

The environmental criteria for generator eligibility are related to the generation process only, and not the sustainability of the host resource industry (with the exception of energy crops). Whilst the



sustainability of the host resource industry is not assessed, the impact of the individual generation project on that host industry will be taken into account.

Individual electricity generation projects in the categories above may have adverse environmental impacts that will outweigh the benefits and would therefore not be considered acceptable for inclusion within this program. Discussion about these technologies and the limitations on their use in Green Power can be found in Appendix A. Negative environmental and/or cultural impacts of each project should be minimised to maintain consumer satisfaction. Retailers are responsible for ensuring that all generation projects meet any statutory environmental, planning, and licensing requirements, and relevant environmental guidelines.

If retailers are unsure whether individual generators meet the criteria, they may seek clarification from the Project Manager.

## **4. Accreditation of Green Power Products**

### *4.1 Accreditation Program Procedures*

#### **4.1.1 Joining the Accreditation Program**

Any retailer may apply to join the Accreditation Program. Retailers should note that individual Green Power Products are accredited, rather than retailers. Therefore each Green Power Product requires a separate application. To offer green power products retailers must of course also meet any local jurisdictional licensing requirements.

A Green Power retailer applies to join the Accreditation Program by completing and returning the application form which is available from the Project Manager in an electronic format, and can be found at Appendix D. The application is then assessed by the Project Manager to ensure that the Product meets the Accreditation Criteria. On the basis of this assessment, the Project Manager will provide the applicant with either accreditation under the National Green Power Accreditation Program or a list of amendments required before accreditation can be offered.

To accept accreditation, the retailer will be required to sign a contract with the Project Manager that specifies the undertakings of both parties. Execution of this contract entitles the retailer to use all accreditation products for the Product in question.

For further details of the application process and application form, please refer to Appendix D.

#### **4.1.2 Ongoing Accreditation**

The ongoing accreditation of Products requires the retailer to prepare certain reports and the Project Manager to periodically assess each Product against the Accreditation Criteria. By taking part in the Accreditation Program, retailers agree to assist in this ongoing accreditation by providing the Project Manager with the necessary reports as detailed in Section 4.1.5, to the format prepared by the Program Manager.

#### **4.1.3 Accreditation Breaches and Withdrawal of Accreditation**

The Project Manager, after agreement from the NASG, may withdraw accreditation from a Product that fails to comply with the Accreditation Criteria.

The Project Manager will advise the retailer of any apparent breach of the Accreditation Criteria by way of a "show cause" notice of the apparent breach. Where the retailer does not rectify the breach or provide evidence to the contrary within the required time period, the Project Manager will put the retailer on probation and advise the NGPASG accordingly. The retailer will be given a set period during which to rectify the breach of accreditation, and where the breach is not rectified during the time period the Project Manager will advise the NGPASG accordingly, and accreditation of the Product will be withdrawn.



Details of any breaches, notices and withdrawal of accreditation will be listed in the annual Green Power Audit.

#### **4.1.4 Right of Appeal**

The Project Manager is acting on behalf of the NGPASG and as such, the retailer or generator owner has the right of appeal to the NGPASG if the retailer disputes the Project Manager's decision. The decision of the NGPASG is final and cannot be contested.

#### **4.1.5 Ongoing Reporting and Auditing**

The public release of information about the operation of Products helps to create the consumer confidence required to gain acceptance of Green Power Products. To this end, the retailer is required to provide regular reports, parts of which the Project Manager will collate and publicly release. These reports also include information required to assess whether a Product meets the Accreditation Criteria.

Details required in the reports can be found in Appendix B and Appendix C. The reports necessary are:

1. Monthly reports, for each calendar month, to be provided to the Project Manager within 1 week of end of month. The report format can be found in Appendix B;
2. Quarterly Status Reports, to be provided to the Project Manager within 1 month of end of quarter, for quarters ending 30<sup>th</sup> September, 31<sup>st</sup> December, 31<sup>st</sup> March and 30<sup>th</sup> June each year. The report format will be provided by the Project Manager at least 2 weeks prior to end of quarter. The report requirements can be found in Appendix C;
3. Annual Technical Report and Annual Financial Statements, to be provided to the Project Manager within 2 months of end of financial year. The Project Manager will provide the report formats and details of requirements at least one month prior to the end of financial year. It is incumbent upon the retailer to ensure that the financial statements to be submitted to the Project Manager (in accordance with Section 5.1.2) have been independently audited within this timeframe. These reports will be used by the Project Manager in the annual Product audit;
4. Product Development Plan, to be submitted with the Annual Technical Report. The Product Development Plans are used by the Project Manager to identify where retailers may have a shortfall in capacity, and to assist retailers in meeting the requirements of the Program. The report requirements can be found in Appendix C.

Details as to which parts of these reports remain confidential and which parts are required to be made public will be contained within the report pro-formas, which are available from the Project Manager.

#### **4.1.6 Reporting of Additional Generator Capacity**

Retailers are also required to forward to the Project Manager details of additional new or existing electricity generators which they wish to include in the Product. The retailer must provide the Project Manager with details of these generators, and written approval of these generators must have been provided by the Project Manager, prior to the inclusion of these additional generators in the Product.

The details required for all generators are:

- name, location, owner, owner contact details and date of first operation
- capacity (MW)
- expected annual energy production (MWh)
- details of power purchase arrangements (to indicate the amount of generation purchased for the Green Power Product only)
- statement of environmental effects

Further description of these can be found in the notes regarding the application forms, which can be found in Appendix D.

#### **4.1.7 Pre-approval of additional generators**

Either generator owners or retailers can request confirmation in writing of eligibility of additional generators prior to requesting their use in an accredited product. For example, a generator tendering for



sale of electricity may wish to demonstrate eligibility for its use under Green Power. The details required for all generators are the same as in 4.1.4 above.

Green Power Generators may be required to provide details of annual generation as part of the annual audit process.

## *4.2 Requirements for Green Power Products*

### **4.2.1 Definition of Green Power Generators**

All generators used in a Green Power Product must be approved as a Green Power generator from the Project Manager, and therefore meet the definition and criteria as outlined in Section 3.3 and Appendix A.

### **4.2.2 Use of Green Power Generators**

Retailers must advise the Project Manager of all generators to be included in the Product, as described in Section 4.1.6. The retailer must have the Project Manager's written approval of the inclusion of these generators prior to their inclusion in the Product and use of electrical output.

Any combination of Green Power approved generators may be used to meet customer demand. While there is no requirement for specific detailed percentage breakdown between the types of generator used in advance, retailers must inform customers of the types of generation used in their Green Power product. Representation of the product to customers should reflect this breakdown and should not deliberately or inadvertently mislead.

When offering electricity contracts and tariffs, retailers may wish to offer a combination of 'green' electricity with non-green electricity. Some customers will only wish to purchase a portion of their energy from Green Power. Allowance for this has been made in the development of this Program, whereby the 'green' component of a blend can be accredited.

### **4.2.3 New Green Power Electricity Generators**

A new Green Power generator is defined as an electricity generator or increase in generator capacity which was commissioned or first sold energy (whichever earlier) after 1<sup>st</sup> January, 1997, or after the launch of the Green Power Product (whichever is earlier).

Retailers are reminded that the spirit of Green Power is to move towards new electricity generation as quickly as possible. Details of the levels of 'new' versus 'existing' generation are made publicly available, and therefore this is an area where retailers can differentiate their product.

Retailers must demonstrate a commitment to, and have a plan for, the installation of new Green Power approved electricity generators. Further details can be found in Section 4.1.5 on requirements for reporting plans for new generation and Section 5.2.4 on Interim Targets.

## **5. Accreditation Criteria**

This section defines the Accreditation Criteria for a Product to gain accreditation under the Accreditation Program. Further information that may assist in the design and operation of Green Power Products can be found in Appendix A.

### *5.1 Financial Criteria*

#### **5.1.1 Financial Ring Fencing**

All income and expenditure for each Green Power Product must be ring-fenced, with separate accounts from other commercial activities, to allow transparency of financial details. All transactions between a



Green Power Product and the retailer, eg. fees for services and internal generation purchases, must be transparent and declared in financial reports.

### **5.1.2 Provision of Audited Financial Statement and Independent Audit Reports**

A financial statement for the Product shall be prepared for each financial year by the Green Power retailer, to the format required by the Project Manager.

The financial statement is required to be audited by an independent and suitably qualified auditor appointed by the Green Power retailer.

This audited financial statement and an audit report prepared by the independent auditors must be provided to the Project Manager on an annual basis, to the timing referred to in Section 4.1.5 and a summarised version of this report will be made publicly available by the Project Manager.

### **5.1.3 Purchases**

Retailers must demonstrate that all energy and/or capital plant purchases are made at current reasonable market rates. Internal purchases (where a retailer purchases energy and/or capital plant from that retailer or a related entity) should be carried out through an arms length transaction at reasonable market rates.

## **5.2 Technical Criteria**

### **5.2.1 Technical Auditing**

The Green Power retailer must provide the Project Manager with the reports and other information necessary to carry out a technical audit of Green Power Products. These reports shall include the Product Development Plan. This information should be provided in the format required by the Project Manager and in the timing referred to in Section 4.1.5.

### **5.2.2 Use of Green Power Electricity Generators**

All electricity generators installed as a result of or used by Green Power Products must conform to the definition of a Green Power generator as set out in Section 3.3 and Appendix A and be connected to a public grid in Australia. The Project Manager, on behalf of the NASG, has the right to disallow particular generators that in its opinion do not fulfil the definition of a Green Power electricity generator.

### **5.2.3 Proportion of Energy from New Green Electricity Generations**

Under Energy-Based Green Power Products, retailers must source a certain percentage of 'new' generation as specified in Table 1, which shows the minimum level of new 'green' electricity as a percentage of total 'green' electricity (in terms of energy sales).

*Table 1 - Minimum Requirements for New Green Electricity Generation*

<b>Timetable</b>	<b>Minimum New Percentage Required</b>	<b>Reporting and Verification Basis</b>
31 December 1999 to 30 June 2000	60%	31 March Quarterly Report and 30 June Quarterly Report
1 July 2000 to 30 June 2001	70%	Annual Financial Report 2000/2001 financial year
1 July 2001 to 30 June 2002 and ongoing	80%	Annual Financial Report 2001/2002 financial year

For retailers who launched their first Green Power product between 1<sup>st</sup> April and 30<sup>th</sup> June 1999, and where the retailer can demonstrate that they cannot meet the minimum requirements in Table 1, these minimum requirements will be waived for that retailer for the first full financial year after their product launch.

In states where retailers are in a monopoly position and are not competing with other retailers at the domestic or business levels, this timetable can be adjusted to allow an initial lead-time of two years from the date of accreditation prior to the 60% target coming into effect. This target would then increase in the two next financial years, as above.

Under Contribution Based Green Power Products (Green Power Funds), all generators purchased must qualify as a 'new' Green Power generator.

#### **5.2.4 Retailer Targets for New Green Electricity Generation**

Retailers must submit annual targets for percentages of new 'green' electricity generation in their confidential Product Development Plans in their annual report. Target dates are for 1<sup>st</sup> July through to 30<sup>th</sup> June in each year. The Project Manager will assess the suitability of these targets when accrediting Products. Targets submitted must meet Section 5.2.3.

#### **5.2.5 Treatment of Blends of 'Green' and Other Energy**

Prior to entering into an agreement to provide energy to a customer, the retailer must make clear the portions of Green Power accredited 'green' and non-accredited electricity that would be provided.

#### **5.2.6 Balancing Energy Supply and Demand**

Each Product should have an identified settlement period over which electricity supply balances demand. This settlement period shall be the financial year 1 July through to 30 June each year unless otherwise agreed with the Project Manager.

It is considered a serious breach of accreditation if demand is not met over the settlement period. However if this occurs, the Project Manager will give the retailer 2 months to rectify that shortfall to customers via credits/rebates to affected Green Power customers. The retailer must provide proof that this action is taken and the Project Manager will assess the evidence for compliance and audit the retailer at the expense of the retailer if necessary.

### *5.3 Other Criteria*

#### **5.3.1 Provision of Information to Customers**

Retailer are required to make available the following information to customers at their request:-

- Generator names and types for each Green Power Product
- Historical percentage of energy by type of generation for each Green Power Product
- Historical percentage of new generation (by energy) for each Green Power Product
- The typical energy price range for each generation type

#### **5.3.2 Retailer Marketing Materials**

Retailers must clearly specify all generation types used in the Green Power product in all appropriate marketing materials associated with the Green Power product. Retailers must not include generation types that are not currently utilised for the Product.



### **5.3.3 Changes to the Green Power Product and Generators used**

Green Power retailers must alert the Project Manager in writing of any changes that are made to the operation of the Product prior to those changes taking effect. This requirement also applies to additional Green Power electricity generators.

### **5.3.4 Retailer Purchase of Green Power Products**

Under the Accreditation Program all retailers are required to purchase Green Power at a level which entitles them to use the Green Power Customer Logo (for their Retail arm as a minimum). This level is defined in "The Green Power Customer Logo - Guidelines for Corporate Customers".

### **5.3.5 Treatment of System Losses**

For Energy-based Products, retailers must clearly specify to the customer and Project Manager whether transmission and/or distribution system losses attributable to a Green Power Customer are supplied from Green Power electricity generators. If system losses are included, generation supplying these losses must conform to all requirements above, including the requirements for new generation.

### **5.3.6 Misleading Conduct**

Retailers must ensure that they do not undertake, in the opinion of the Project Manager, misleading advertising or conduct in relation to Green Power. Of particular importance is misleading advertising relating to the composition of Green Power Products. Retailers must not deliberately or inadvertently mislead customers as to what generation types are used in their products, or the proportion of energy from different generation types.



## Appendix A: Guidelines for Green Power Generation Acceptability

All energy generation technologies and fuels have the potential to cause an impact on the local and/or global environment. The key environmental issues include:

- Global warming;
- Water and Air quality;
- Land use;
- Impact on flora & fauna;
- Impact on cultural heritage;
- Visual & noise impacts;

### **Definition of Green Generator**

Under the Accreditation Program, a Green Power generator is defined as 'an electricity generator that results in greenhouse gas emission reduction, nett environmental benefits, and is based primarily on a renewable energy resource'

The environmental criteria for generator eligibility are related to the generation process only, and not the sustainability of the host resource industry (with the exception of energy crops). Whilst the sustainability of the host resource industry is not assessed, the impact of the individual generation project on that host industry will be taken into account.

For example, whilst concerns may be raised over the long term sustainability of some biomass resource industries, so long as the biomass is renewably harvested, results in greenhouse gas reduction, and demonstrates a nett environmental benefit, it would be eligible for use under Green Power.

Further clarification of these guidelines will be developed over time as the program evolves, and these will be available, along with the accreditation document, from the Program Manager.

### **Consumer Perceptions**

Green Power Accreditation program is a voluntary market-based program mechanism for stimulating investment in new renewable energy generation. It is wholly dependent on customers generally choosing to pay more for a Green Power accredited product. As such, Green Power customers generally wish to see their contributions leading to overall environmental improvements, ie. they may not approve of projects which reduce greenhouse emissions but damage the environment in some other way.

As contribution to Products is entirely voluntary, customer perceptions are of equal or greater significance than any 'objective' view of the environmental merit of a particular electricity generator. As a result, the views of consumer and environmental advocacy groups should not only be taken into account by the retailer, they will be considered by the Program Manager in assessing approval of individual generators.

### **Eligibility of Generation**

The following section examines those generation projects that may be more contentious and provides a guide as to whether they will be acceptable. Clearly, these views are general and cannot take account of particular local factors that may concern potential participants. In addition to this information, the following will be taken into account in the assessment process:-

1. Consumer perception of the generation process;
2. The overall impact of the generation process on greenhouse emissions;
3. Whether the process is based primarily on a renewable energy source or renewable energy sources;
4. The nature of the environmental impacts associated with the construction and operation of the generation facility, including the extent, intensity and duration of those impacts;
5. The level of mitigation, either planned or in place;
6. the level of planning approvals and environmental management procedures related to the generation process;



7. other matters as deemed relevant by the Project Manager including the specific detailed below.

If Green Power retailers require clarification, they can seek approval of the Project Manager for individual projects. Projects that are likely to be contentious in any way should be avoided by retailers.

### ***Proportion of Generation Eligible***

In circumstances where only a portion of the energy generated is based on renewable energy resources, the annual generation of a generator shall be pro-rata on the proportion of renewable vs non-renewable energy input. Note that generators must still be primarily based on renewables, and therefore the proportion of renewable energy input must exceed 50%.

### ***Cofiring***

Cofiring biomass resources with other generators can be classified as green electricity generation for the renewable energy component. It should be noted that, under the definition used in Green Power, generators must be primarily based on renewable energy resources and therefore cofiring level would by necessity be greater than 50%. Where there are two plants feeding into one system, then the renewable component can be prorated.

There are situations where the energy production plant is separate from the plant used to convert the energy to electricity (e.g. a solar thermal power station utilising an existing steam turbine). In these situations, where the energy production plant is separately identifiable, the energy production plant would be considered the generator for the purposes of assessing whether it meets the 50% requirement.

### ***Landfill Gas Generation***

Methane emissions result from the decomposition of putrescible and green waste (both biomass resources) in landfill sites. The use of methane emissions from landfill sites to generate electricity has considerable greenhouse benefits. However, the disposal of general municipal waste in landfill sites requires large quantities of land that will remain contaminated by undecomposed matter.

It is not the intention of this program to promote the development of new landfill sites, at the expense of waste minimisation. However, landfill gas generation projects are considered generally suitable for inclusion in Green Power. Any measures undertaken to reduce their environmental impact (such as best practice NO<sub>x</sub> control) would assist the Project Manager in approving their use under the Accreditation Program.

### ***Industrial/Commercial/Municipal Wastes - Incineration***

There is wide scale public concern about the operation of incinerators. Such generators are therefore unsuitable for inclusion in Green Power Products. 'Green' waste incineration, where plant matter is separated from other wastes, is covered in the paragraphs below on "Agricultural Wastes".

### ***Industrial/Commercial/Municipal Wastes - Direct Gasification/Pyrolysis***

There is significant benefit in the gasification or pyrolysis of mixed solid wastes that would otherwise be diverted to landfill. Aside from recovery of energy, destruction of these wastes significantly reduces the volume of waste going to landfill (approx. 95% reduction), and in addition removes many problems associated with leachates and gas and odour emissions. The use of materials recovery technology also assists in reclaiming recyclable material that is mixed in with the waste stream, and would otherwise end up in landfill.

Generation plants based on these technologies are generally eligible for inclusion in Green Power Products if the process has been approved under all relevant environmental legislation. Where a fossil fuel component is mixed in with the waste stream, the fossil fuel component will be netted out on a prorated basis.

### ***Forestry Wastes***

There is considerable debate as to whether current agricultural practices in Australia are sustainable. In particular, the management of old growth forests, including the potential use of waste timber to



generate electricity, is a sufficiently sensitive issue in Australia today that there is considerable scope for this type of project to be seen to be supporting logging.

Utilisation of waste from existing forestry plantations is likely to be generally acceptable under Green Power. Likewise, utilisation of product from forestry plantations specifically established for bioenergy production is likely to be generally acceptable under Green Power.

Utilisation of waste products from regrowth native forests for Green Power is a sensitive issue. Generally, these applications are very site specific, and would need to be considered on that basis. It is recommended that retailers seek the views of environmental advocacy groups in the establishment of projects using these resources. Demonstration of best-practice saw-milling technologies and the like would assist in the approval of generators based on these resources.

Utilisation of any materials (including wastes) from high conservation value forests such as old growth forests are not acceptable under Green Power.

### ***Agricultural Wastes***

Waste materials from the Forestry, Sugar Cane, Winery and Cotton industries, amongst others, as well as methane captured from sewerage treatment works or large scale organic composting offer considerable potential for electricity generation. It is likely that consumer acceptance of these resources as part of a Green Power portfolio will hinge primarily on local environmental issues, and may vary from site to site depending upon the practices employed. Generation projects based on these resources will be assessed on a case by case basis.

### **Energy Crops**

There are a wide variety of crops which could be grown specifically for energy generation purposes ("energy crops"), including crops such as timber, vegetable oils or complex sugars. The acceptability of various energy crops will depend upon the agricultural practices used, and whether these are considered sustainable.

### ***Hydro-Electric***

The environmental impact and perceptions of consumers towards hydro-electric generators varies depending upon the size of the system, its location, the conservation and community value of the impacted area and the hydrology management.

Consumers may be critical of hydro-electric projects which result in:-

- The large scale flooding of ecosystems;
- Reduce conservation values, particularly in highly sensitive areas;
- Involve major diversions of rivers; and
- Involve the construction of major new dams and roads in sensitive areas

Consumers are more likely to accept projects that:-

- Have had broad stakeholder consultation and acceptance;
- Have adequate environmental flows; and
- Are retrofitted dams that have been built for other purposes.

Hydro-electric projects which require new dam construction may result in the flooding of ecosystems and considerable impact on the environment. As a result consumer perceptions are likely to be critical and as such, projects are not recommended for inclusion in Green Power Products.

In addition, hydro-electric projects which divert water from rivers, or from one river to another, and do not adequately allow for environmental flows, can severely alter eco-systems associated with the river. Such projects are not recommended for inclusion in Green Power Products.

Hydro-electric projects which involve the installation of generation facilities alongside dams which have already been built for other purposes are likely to be acceptable. In this case the desire to produce electricity has not led to the dam being constructed. The precise environmental impacts of any proposal need to be examined to ensure that these are minimised.



In situations where hydro-electric generators are used in pumped storage mode, only the net export of the system can be classified as 'green' electricity generation.

### ***Wind Power and Windfarms***

Wind turbines and windfarms have the ability to impact the local environment, particularly in relation to visual amenity, noise and bird-strike. Sufficient consultation with local stakeholders and efforts to minimise the impact on local amenity should be undertaken to ensure their acceptability under the program.

### ***Solar Thermal Electric***

Solar Thermal Electric generation plants may use a non renewable fuel such as natural gas to support the generator when sufficient solar energy is not available. In such cases, only that contribution which can be directly attributed to the renewable energy component would be considered to be 'green'.

### ***Coal Mine Waste Gas and Coal Seam Methane***

Coal mine waste gas generation based on vent or drainage gas from mines, where the methane must be drained for safety reasons, has the capacity to reduce greenhouse gas emissions substantially. However, coal mine waste gas is a fossil fuel, and therefore does not pass the test of being renewable. Non-waste Coal Seam Methane is a fossil fuel equivalent to natural gas.

Coal Mine Waste Gas and Coal Seam Methane generation therefore cannot be considered under the definition of the Accreditation Program.

### ***Purchasing Electricity from Embedded Generators***

A number of electricity consumers, particularly at the domestic level, have recently installed small grid-connected renewable energy systems (such as solar photovoltaics) for their own use. Typically, these systems have very low net energy export levels, as most of the energy is used on site. The tariffs associated with these systems are generally not cost-reflective, and are designed to offer customers the use of the grid as an energy storage device for their own renewable generation, rather than for net export for others to purchase Green Power.

Where retailers on-sell the energy from embedded generation through their Product, the vendor of the energy should be made aware of that fact and an appropriate cost-reflective tariff applied.



**Appendix B: Monthly Green Power Statistics Report**

Month ending:  
 Retailer:  
 Contact Name:  
 E-mail:  
 Phone Number: Fax Number:

**Energy Based Products (Green Power Tariffs)  
 Residential Customers**

*Number of new Green Power customers signed*  
*Number of Green Power customers lost*  
*Number of Current Green Power customers*

Last Month	This Month

**Energy Based Products (Green Power Tariffs)  
 Commercial Customers**

*Number of new Green Power customers signed*  
*Number of Green Power customers lost*  
*Number of current Green Power customers*

Last Month	This Month

**Contribution Based Products (Green Power Funds)  
 All Customers**

*Number of Green Power customers signed*  
*Number of Green Power customers lost*  
*Number of current Green Power Customers*  
*Green Power fund income (this month)*

Last Month	This Month
	\$

**Commercial Customers given Green Power Customer Logo this month**

Company Name:	Contact Person:	Phone No:	Fax No:

Please return to Greg Loftus fax (02) 9906 1666 or email  
 GregLoftus@erm Sydney.erm.com.au



## Appendix C: Green Power Product Reporting Details

### Quarterly Status Reports

The quarterly status report should include the following information, in the format requested by the Project Manager or it's representative.

#### Information which is intended to be publicly released by the Project Manager:

- the total energy purchased and allocated through the Green Power product, broken down between type of electricity generator used, for both existing and new generators;

#### Information which will not be publicly released without prior consent:

- average financial contribution of each Green Power customer by customer type (domestic/franchise commercial/contestable);
- for all energy purchased and allocated through the Green Power product, broken down between type of electricity generator used, for both existing and new generators by energy purchased (MWh);
- details of each electricity generator used under the Product:
  - name, location, owner and commissioning date
  - capacity (MW)
  - annual energy production (MWh)
  - power purchase arrangements (to indicate the amount of generation purchased for the Green Power Product only)
  - if purchased using Green Power funds, capital cost (\$)

### Annual Audit Reports

- account statements in the format requested by the Project Manager, and supporting documentation for the Product
- any additional information requested by the Project Manager's independent auditor which is required to ensure the product's compliance with the Green Power Accreditation Document, in the format requested by the Project Manager's independent auditor

### Product Development Plan

- anticipated customer numbers and generation requirements by quarter
- details of all generators to be used by the Product in the next 12 months (both existing and new generators):
  - name, location, owner, owner contact details, and first operation date
  - capacity (MW)
  - annual energy production (MWh)
  - expected power purchase arrangements
- retailer targets for the percentages of new vs. existing generation
- plan for financially contributing to Green Power Products (described in Section 5.3.4)



## Appendix D: Green Power Accreditation Application

### Five Step Application Process for Green Power Accreditation

1. Request from the Project Manager the necessary Green Power documentation, including:
  - National Green Power Accreditation Document;
  - The Green Power Logo - Guidelines for Corporate Customers;
  - The Green Power Logo - Guidelines for Green Power retailers;
  - The Green Power Logo - Guidelines for Green Power generators
  - Green Power Product Application Form.
2. Forward the completed application form and all necessary attachments to the Project Manager. Please allow at least three weeks for initial assessment.
3. The Project Manager assesses application for accreditation. Where the application does not meet the criteria of the Green Power Accreditation Program, or where insufficient details are provided, retailers are advised accordingly and amendments suggested.
4. If the application meets all criteria, the Project Manager advises the retailer of this and forward the Green Power contract for execution.
5. Once the Green Power contract has been executed, the Project Manager writes a letter to the retailer officially accrediting the Green Power Product of that retailer.

### Notes on Application Form

1. *Statement of Environmental Effect.* A brief Statement of Environmental Effect is required of each generator in the portfolio. This statement should be made by the retailer, and details any environmental concerns associated with the generator. This may include (for example) community concerns over noise or pollution emissions; environmental flows for hydro schemes; etc. The retailer should also note what has been carried out to address these concerns. In most cases, this would not exceed one page in length - it may be as simple as a statement along the lines of "The retailer and generator owner are not currently aware of any environmental concerns associated with generator X, and will advise the Project Manager of any such concerns as they may arise".
2. *Product Development Plan for new green generators.* Where new generators have been confirmed, this would include the description, type of unit, location, ownership details, capacity etc of that new generator. Where details of a specific generator has not yet been identified, it would include a description of the specific targets for development under the product.
3. *Details of retailer's own Green Power contribution.* Under the accreditation criteria, each retailer must purchase from an accredited Green Power product for their own electricity consumption. Details of the electricity purchase levels and Green Power purchase level should be provided.



## Green Power Product Application Form

Organisation:
Address:
Contact Person:
Title:
Contact details:      Tel:      Fax:
Email:
Green Power Product Name
Date of commencement of Product
Green Power Product Auditor
<b>Please attach information relating to the following matters:</b> Attached?
<i>[if currently unavailable, please indicate when it will become available]</i> <b>Yes      No</b>
General description of Product
Details of Product administration and financial ring-fencing
Details of eligible customers by customer type (domestic/commercial etc)
Arrangements for processing initial customer inquiries
Details of initial portfolio of 'green' generators (see 4.1.6 of Accreditation Document)
Statement of Environmental Effect of each generator in the portfolio, detailing any environmental concerns associated with the generator. (See notes)
Initial Product Development Plan
Promotional materials in draft or final version
Details of retailer's own Green Power contribution
Proposed product launch date:

If you have any queries regarding this application, please contact the Project Manager.



## Appendix E Definition of Terms

<b>Accreditation Criteria:</b>	The Accreditation Criteria detailed in Section 5 of this document.
<b>Accreditation Program:</b>	The framework established for Green Power Products, as described in this document.
<b>Accredited Green Power Product:</b>	Any Green Power Product which has been accredited under the Accreditation Program.
<b>Existing Green Power Electricity Generator:</b>	An electricity generator or increase in generator capacity which was commissioned or first sold energy (whichever earlier) prior to 1 <sup>st</sup> January, 1997, or prior to the launch of the Green Power Product (whichever is earlier).
<b>Green Power Electricity Generator:</b>	For the purposes of this Program, a Green Power electricity generator is defined as an electricity generator that results in greenhouse gas emission reduction and overall environmental benefits, and is based primarily on a renewable energy resource.
<b>Green Power Product:</b>	Any product or service that enables customers to voluntarily contribute financially to the development of Green Power electricity generators in accordance with the Accreditation Program.
<b>Green Power Retailer:</b>	Any person or organisation which operates any Green Power Product.
<b>New Green Power Electricity Generator:</b>	An electricity generator or increase in generator capacity which was commissioned or first sold energy (whichever earlier) after 1 <sup>st</sup> January, 1997, or after to the launch of the Green Power Product (whichever is earlier).