

Does Green power really come from a true green energy source?

The green power web site: www.greenpower.com.au has an explanation of how the scheme works and links to individual green power products being offered by electricity retailers. Also I have attached the latest scheme audit report which provides additional information that ensures the green power products are achieving real and genuine electricity production from new renewable energy generators. There is no trick involved.

The vast majority green power products involve electricity retailers purchasing electricity directly from renewable generators on behalf of green power customers. The total demand for green power is matched, or in most cases exceeded, by renewable supply. This supply demand balance is stringently audited each year.

The renewable electricity purchased by retailers is fed into the electricity grids and displaces the need for fossil fuel electricity. Therefore purchasing green power is directly funding the construction and operation of many new renewable energy generators (see the list attached). The renewable generators release zero greenhouse emissions to the atmosphere and therefore buying green power contributes directly to reducing the impact of climate change. However, the green electricity is not directly supplied to individual premises as you cannot distinguish between electrons created by renewable or fossil fuel generators. However, the important point is that the quantity of green electricity you purchase is supplied to the electricity grid. And it really does not matter who uses the electricity once it is in the grid.

The Commonwealth Government operates the Mandatory Renewable Energy Target (MRET) which involves electricity retailers buying and surrendering Renewable Energy Certificates (RECs) created by renewable generators (1 REC = 1 unit of renewable electricity MWh). Many of the MRET accredited renewable generators are also accredited to create green power. To prevent these generators gaining benefits under both schemes the electricity retailers are required to buy and voluntarily surrender RECs to match their green power sales.

This mechanism ensures your green power purchase is achieving genuine additional renewable electricity that has not been funded by the Commonwealth MRET scheme.

Two new companies to the green power market do not buy the actual electricity from renewable generators and in these cases customers are supplied electricity by their normal retailer. However, these companies purchase "Green Power Rights" and the Renewable Energy Certificates to match their customers' requirements and the Green Power Rights and the RECs are not used twice. The result is the same as the other green power products and your purchase directly funds genuine additional renewable electricity which reduces greenhouse emissions. The "Green Power Rights" and the Renewable Energy Certificates are credits for the renewable energy component of the electricity generation. These credits are not offsets.

However, some companies refer to by purchasing green power to "offset" your household greenhouse emissions. This is purely a way of matching your green power purchase with the greenhouse gas emissions you are responsible for.

If you have any further questions you can contact the NSW Department of Energy, Utilities & Sustainability who administer the scheme. (02) 8281 7777 and greenpower@deus.nsw.gov.au.