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Submitted via email: greenpower.admin@planning.nsw.gov.au

25 October 2024

Proposed GreenPower Program Rule Changes

AGL Energy (AGL) welcomes the opportunity to make a submission in response to the Draft GreenPower Program Rules version 12 for Public Consultation (Draft Rules).

Proudly Australian since 1837, AGL delivers around 4.3 million gas, electricity, and telecommunications services to our residential, small and large business, and wholesale customers across Australia. We operate Australia's largest electricity generation portfolio and have the largest renewables and storage portfolio of any ASX-listed company, having invested \$4.8 billion in renewable and firming generation over the past 20 years and added more than 2,350 MW of new generation capacity to the grid since 2003.

We support Australia's ambition to achieve net zero by 2050 and believe this will underpin the competitiveness of the Australian economy. As the global community responds to the risks of climate change, AGL recognises the large part that we must play in the transition to a low carbon economy. Our 2022 [Climate Transition Action Plan](#) outlines AGL's ambition for decarbonisation, including the following commitments:

- Targeting a full exit from coal-fired generation by the end of FY35 (up to a decade earlier than previously announced).
- Ambition to meet customer energy demand with around 12 GW of new firming and renewable assets by 2036.
- An initial target of 5 GW of new firming and renewable capacity by 2030.

AGL notes the proposed changes to the GreenPower program as outlined in the Draft Rules (proposed changes), and supports streamlining and simplifying the range of available GreenPower products, making it easier for customers to compare different GreenPower providers' offers. However, we hold some concerns about the tight timeframe for implementation of the proposed changes and seek further guidance around GreenPower messaging, reporting and billing. We also seek further guidance on the GreenPower program's interaction with the Guarantee of Origin Scheme's Renewable Electricity Guarantee of Origin (REGO) certificates and with the RE100 initiative.

This submission's key points are summarised as follows:

- **Implementation timing:** We request a period of at least 12 months between when the proposed changes are finalised and when they take effect.
- **GreenPower marketing:** We seek clarification of when GreenPower intends to publish guidance on marketing claims that GreenPower providers could make in relation to each GreenPower product.
- **Reporting & billing:** We would welcome guidance on how:
 - a. GreenPower providers are to report across calendar year 2025 if two sets of GreenPower Program Rules apply during the course of that year; and
 - b. GreenPower expects that new GreenPower products be referred to on customers' bills.



- **Interaction with other schemes:** We seek further guidance on the future interaction of REGO certificates with GreenPower products. We also recommend that GreenPower publish a clear statement confirming that following the proposed changes, 100% GreenPower products will continue to meet RE100 requirements.

Implementation timing

There are challenges regarding the proposed 1 July 2025 date for the Draft Rules, once finalised, to take effect. The challenges relate to GreenPower providers' ability to comply with the proposed changes in delivering the new GreenPower products both to new GreenPower customers acquired from 1 July 2025 and to existing GreenPower customers who wish to retain GreenPower add-ons. This is due to several reasons, including:

- The time required to make changes to complex systems and processes for delivering add-on products to energy customers, while ensuring compliance with the applicable GreenPower Rules.
- The complexity of the products and difficulty of communicating what they are in a clear and accurate manner to customers. This challenge is exacerbated by the lack of specific guidance from GreenPower to date on how the new products could be marketed and billed.
- The need to provide existing GreenPower customers with advance notice of the proposed changes, then allow these customers time to:
 - i. decide if they wish to continue with GreenPower and if so at what percentage and cost; and
 - ii. agree to an amended or new contract.

Given that we are currently in a consultation phase, with the final rules unlikely to be finalised until November 2024 at the earliest, this leaves very little time for participants in the GreenPower program to adjust to the proposed changes.

A longer timeframe is required for GreenPower providers to explain the changes to customers and allow customers to consider and decide whether, and if so how, to proceed with GreenPower products. Therefore, we ask GreenPower to consider allowing a minimum transition period of 12 months before the proposed changes take effect.

GreenPower marketing

The GreenPower product construct is quite complicated to explain to customers. AGL would appreciate GreenPower providing a clear recommendation on how to describe:

- what customers will receive if they select each different GreenPower product;
- for existing GreenPower customers who choose to transition to a new GreenPower product, how the new product compares to the current GreenPower product; and
- the terms 'Large-scale Generation Certificates' (LGCs), 'Renewable Energy Target' (RET) and 'Renewable Power Percentage' (RPP).

The draft description that GreenPower previously indicated it had shared with the ACCC was along the lines that "A 50% GreenPower product means 50% of a customer's electricity use is matched with LGCs. 18% come from the RET, 32% from voluntary surrender". However, this description is not very customer-friendly, particularly in respect of residential and small business customers who may not have previously heard of 'LGCs' and/or the 'RET', or may not understand the federal and state government schemes underpinning renewable energy and emissions reduction in Australia. We urge GreenPower to consider the difference in knowledge levels between GreenPower customers and tailor marketing approaches as required.

The recent webinar slide pack provided by GreenPower – 'Proposed GreenPower Rule Changes – Communications & marketing', stated that GreenPower intends to provide further guidance on customer



claims, use of the GreenPower logo and more general advice around the upcoming changes and explanations on the RET and RPP. We also note that GreenPower intends to provide key change messaging to GreenPower Providers in November 2024 to support implementing changes. However, it is not clear how much detail will be provided, or when exactly this advice and information will be published.

Given the lack of clarity on details and timing, AGL has strong concerns around the ability to implement the proposed changes in time for a 1 July 2025 start date, and requests additional time for a smooth transition.

AGL also has some reservations about the decision by GreenPower to limit use of their logo to “customers matching 100% of their electricity consumption with GreenPower”, as stated in the above slide pack. To encourage greater uptake of GreenPower products, contributions of less than 100% GreenPower should be recognised, whether that’s through some form of the GreenPower logo, or through some other means. AGL looks forward to further direction from GreenPower on this.

Reporting & Billing

Two different sets of rules may well apply within the 2025 GreenPower reporting year (e.g. current set of rules up until 30 June 2025 and new set of rules from 1 July 2025). If so, it is unclear how GreenPower providers will be required to report to ensure they remain compliant. We would welcome clarity on how GreenPower providers are expected to report across the dual set of rules applicable in 2025.

In addition, there will potentially be the need for significant billing system changes as a result of the proposed changes. We would appreciate guidance from GreenPower on whether mandatory and voluntary LGCs should be bundled as a single line item on a bill or represented separately. Each GreenPower provider may have different preferences on how best to set this up. Therefore, we would recommend that GreenPower providers retain flexibility as to how they will bill GreenPower customers.

Interaction with other schemes

We note that the RET is due to end in 2030, and the Australian Government intends to legislate and implement the Guarantee of Origin Scheme and REGO certificates by the end of 2025. Consideration will need to be given to how the proposed REGO certificates will interact with GreenPower products prior to and after the RET ends in 2030. AGL would welcome further guidance on this.

Additionally, we note that GreenPower has stated that RE100 compliance will be unaffected by proposed changes to the GreenPower program. However, given the significance of the changes, and to help alleviate concerns of GreenPower participants, we recommend that GreenPower publish a clear statement confirming that 100% GreenPower products will continue to meet RE100 requirements following the proposed changes.

Should you have any questions in relation to this submission, please contact Casey Barkla-Jones at cbarkla@agl.com.au.

Yours sincerely,

AGL Energy