

# Switching to renewable energy?

## Get the facts

Energy retailers all over Australia now offer consumers green electricity products. Before you make the choice to purchase renewable energy, make sure the product is accredited.

### What is renewable energy?

Renewable energy is sourced from the sun, wind, water and waste, all of which produce limited greenhouse gas emissions.

### What is *accredited* renewable energy?

Today around 90 per cent of electricity generated in Australia is still generated from the burning of fossil fuels. The benefit of accredited renewable energy is that it does not burn fossil fuels like coal or natural gas which add greenhouse gas emissions to our atmosphere and contribute to climate change. The accreditation means that an independent third party ensures these renewable energy products meet a certain standard.

### What environmental benefits should accredited renewable energy deliver?

For the energy you use, purchasing accredited renewable energy should:

- cut your greenhouse gas emissions;
- reduce your contribution to climate change;
- help drive demand for greener energy; and
- develop the renewable energy sector, helping it to compete with less costly, but more polluting coal and gas based generation.

### Where does the electricity go?

Your purchase of accredited renewable energy does not mean your electricity will come directly from a renewable source to your property. Instead the equivalent amount of new renewable energy is added to the electricity grid on your behalf every year so you will be responsible for a reduction in greenhouse gas emissions.

### Looking for a supplier

- Claims about renewable energy can be confusing. Do your research and ask questions of your energy provider. Go beyond the marketing material and check that the product is accredited and delivers real environmental benefits.
- Shop around. Retailers structure their renewable energy product pricing in many different ways. Ask your retailer how much the product they are selling is likely to cost you per week based on your energy usage. You will generally pay a premium for accredited renewable energy.

- Report any complaints you have about the sales practices of electricity retailers to the Energy Ombudsman in your state or territory.

### What you need to know about electricity contracts

- Ask your retailer whether purchasing renewable energy means you are committing to a new contract, and if so how this will change the amount you pay for your standard electricity.
- Check your last electricity bill to see what tariff you are paying now. It will be expressed as cents per kilowatt hour (c/kWh).
- The two main kinds of contracts are: block tariffs, which vary according to how much you use over the whole billing cycle; and time of use contracts, which vary the amount you are charged at different times of the day or night. Changing from one to the other may change the amount you pay.
- Check whether you need to sign up for a fixed term or if the new contract is flexible. Some retailers require you to sign up for two or three years to their package.
- If you sign up for a new fixed term contract or already have a contract with an energy provider and you wish to switch providers or change the terms of your contract, you may be required to pay an exit fee.

### What else can you do to reduce energy consumption?

One of the best things that individuals can do to reduce their greenhouse gas emissions from electricity is to use less.

Simple measures will reduce your electricity use and save you money including:

- switching off lights in rooms you are not using;
- heating and cooling only the spaces you use; and
- buying energy efficient appliances. Look for the Energy Rating stickers on whitegoods and Energy Star electronic equipment.

Purchasing accredited renewable energy can also be used to reduce the emissions from your remaining energy consumption.

# Is there an accreditation scheme for renewable energy?

Yes there is. At the moment, GreenPower is the only accreditation scheme which makes sure your energy provider is purchasing accredited renewable energy on your behalf.

## What is GreenPower?

GreenPower is a national government renewable energy accreditation program which organises publicly available independent auditing of energy provider sales and purchase records. Accredited GreenPower products are available from all Australian energy providers. GreenPower is run by the NSW Government on behalf of Australian Capital Territory, New South Wales, Queensland, South Australia, Victoria and Western Australia Governments.

## Look for the GreenPower tick

The GreenPower 'tick' tells you the renewable energy you are buying is the best choice for the environment and meets strict environmental standards. Energy providers also sign up to marketing guidelines which ensure that their accredited renewable energy products are clearly described.

## What are the GreenPower accreditation standards?

GreenPower's accreditation standards include:

- only allowing generation from facilities built since 1997;
- not allowing the use of native forest wood waste in biomass generators; and
- not allowing hydro generation that involves the redirection of environmental water flows in rivers.

Purchasing accredited GreenPower will cut your emissions, reduce your contribution to climate change, drive demand for greener energy and develop the renewable energy sector.

Non-accredited renewable energy is not audited and green claims are therefore untested.

GreenPower is an initiative of ACT, New South Wales, Queensland, South Australia, Victoria and Western Australia Governments.

## Choosing a GreenPower product

- Look for the GreenPower logo to make sure the product is GreenPower accredited and delivers the best environmental standards.
- Check what proportion of the product is GreenPower. You can choose what percentage (10, 20, 25, 50, 75 or 100 per cent) of your electricity account you would like to come from GreenPower to best suit your budget. It is recommended that you buy 100 per cent GreenPower products for the elimination of all your electricity-related greenhouse gas emissions.
- The percentage of accredited GreenPower should be clearly displayed in the retailers' marketing material and included as part of the GreenPower logo.

For example



- Visit the GreenPower website to find out more and check the national list of accredited renewable energy products or call 1300 852 688.

Find out more at [www.greenpower.gov.au](http://www.greenpower.gov.au)



## Further information

- ▷ To compare the environmental credentials of green electricity products, visit Green Electricity Watch at [www.greenelectricitywatch.org.au](http://www.greenelectricitywatch.org.au) (an independent website run by a consortium of environment groups)
- ▷ For price comparisons, contact not-for-profit consumer association Choice on 02 9577 3399 or log onto [www.choice.com.au](http://www.choice.com.au)
- ▷ For information on consumer rights and business rights and obligations, contact the Australian Competition and Consumer Commission (ACCC) on 1300 302 502 or log onto [www.accc.gov.au](http://www.accc.gov.au)