

Essential Services Commission
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Guideline 13 – Electricity Industry – Greenhouse gas disclosure on electricity bills

Thank you for the opportunity to comment on the *Harmonised Energy Retail Code* Consultation Paper December 2012. NAGA's comments focus specifically on the proposal for **Guideline 13 – Electricity Industry – Greenhouse gas disclosure on electricity bills**.

About NAGA:

The **Northern Alliance for Greenhouse Action** (NAGA) is an alliance of Moreland Energy Foundation and the councils spanning the northern metropolitan region of Melbourne from the CBD to the rural/urban fringe (see footer). The Alliance covers a quarter of Melbourne's population; the region spans major industrial, commercial, and residential areas, activities and types, as well as forests, agriculture, and water catchments on the urban fringe.

NAGA shares information, coordinates emission reduction and adaptation activities, and cooperates on the research and development of innovative projects. NAGA and its members have demonstrated significant climate change action innovation at the local government and regional level. NAGA is actively involved in implementing regional scale climate change projects and developing approaches to governance, project management and business cases to support this work.

Greenhouse gas disclosure on electricity bills:

NAGA supports the continued inclusion in the Energy Retail Code (ERC) of the greenhouse gas disclosure on customers' bills.

The ongoing relevance of this information to customers' product choices and consumption necessitates that it be retained in Victoria in the longer term, and following the move to the National Energy Customer Framework (NECF).

The consultation paper outlines the proposal to discontinue the greenhouse gas disclosure on the adoption of NECF. It is suggested that bill benchmarking will act as a more suitable information source. However, it is NAGA's experience that greenhouse gas emissions disclosure on bills provides customers with entirely different information to that of bill benchmarking (or any other consumption comparator). Emissions data effectively and explicitly links electricity consumption with the product choices and consumer impacts, which are not reflected in consumers' levels of consumption alone.

The Victorian disclosure on bills was a far-sighted measure providing customers with personalised information on a major source of their greenhouse gas emissions, namely home electricity consumption. The disclosure assists consumers to see the direct link between their electricity consumption choices (both electricity products and behaviours, that may include Green Power, solar PV and energy efficiency), with the associated climate change impacts. The electricity bill remains the most visible, universal feedback communication for this information available in Victoria.

There has been a growing attention to incorporation of an environmental sustainability objective into the National Energy Market and rules, which is consistent with, and complementary to the overarching objective of the regulatory regime being the long-term interests of electricity consumers. Environmental sustainability (that includes climate change considerations) should be factored into the NEM because a

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market which ignores climate change cannot properly act in the long term interests of consumers, as the NEM is required to do. The current NEM reform agenda recognises that many recent developments in the market have been driven by environmental factors in conjunction with cost, reliability or security factors. Market reform, and attention to renewable and distributed generation, is reflecting the changing electricity market driven, at least in part, by the pressure to reduce carbon intensity and improve efficiency.

The Australian Government is committed to the provision of adequate, reliable and affordable energy to meet future energy consumption needs and to underpin strong economic growth, consistent with the principles of environmental responsibility and sustainable development.¹

NAGA members recently undertook a range of pilot projects in its '[Communicating Energy Use](#)' project with residential households in a range of locations across metropolitan Melbourne and regional Victoria. Many residents want to know and understand the impact their consumption has on the environment, in particular their contribution to greenhouse gas emissions. The electricity bill is the most practical means for customers to access this information and track their progress. There is a growing awareness in the community of the benefits of cleaner and renewable energy and the risks associated with rising emissions. The time taken to establish this information on customers' bills is achieving a level of recognition and public importance as the climate change science, and public awareness have grown. This information is more significant than ever, and it would be highly regrettable to remove such a key information source at a time of heightened awareness and consumer demand for good information on both climate change and electricity.

In conclusion, NAGA strongly supports the permanent retention of this disclosure on electricity bills; in future, consideration could be given to building on this information base to support improved levels of awareness of the links between greenhouse gas emissions, energy literacy and options to reduce environmental risks in the long-term interests of consumers.

Please contact me if you would like to discuss any of these issues in more detail.

Yours sincerely



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Executive Officer

The views represented in this submission do not necessarily represent the views of all NAGA members individually.

¹ <http://australia.gov.au/topics/environment-and-natural-resources/energy>