

29 August 2014



## PRESS RELEASE

### **Misguided RET Review Fails to Understand the Motivations behind Voluntary Schemes.**

The Voluntary Carbon Markets Association has called the report of the government's recent RET Review as "misguided, uninformed and just plain silly" in the way it recommends treating voluntary schemes such as the national GreenPower program. Under GreenPower™ electricity customers can voluntarily pay extra to increase the percentage of renewable energy in the electricity that they consume.

Since the GreenPower™ scheme went national in 2000, the renewable energy it produced was always excluded from Australia's regulated Renewable Energy Target (RET). This was done so that participants did not end up simply reducing the obligations upon energy retailers to meet their own compliance targets, while providing no additional environmental benefit.

The RET Review released yesterday however recommends that voluntary schemes should now be included in the calculation of Australia's mandated target.

According to the VCMA, what the RET Review has failed to understand is that such programs will simply collapse as participants simply opt out of any scheme which is not "additional" to a regulated target.

This concept of "additionality" is well understood within voluntary schemes worldwide where anyone wishing to make an environmental claim cannot do so if their actions are simply being used by a government to reduce the impost on other regulated entities.

Ironically if the government accepts the RET Review's recommendation, local, state, and federal government agencies currently making claims under its own National Carbon Offset Standard, will find that such claims are no longer legitimate.

A similar situation in Australia occurred some years back creating a flight of voluntary capital to overseas projects where the concept of "additionality" was more properly enshrined. The VCMA therefore calls upon the federal government to quickly reject this recommendation before uncertainty starts to erode participation in local schemes.

For further information please contact:

VCMA Technical Committee

Peter Shuey 0419 348 284

Alan Pears

03 9592 8581