

TITLE: Time to clear the haze of carbon price charges

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Are ActewAGL's green power customers getting a dirty deal, asks Matt Grudnoff

The question perplexing many ActewAGL green power customers is a simple one: if my bill says I am responsible for no carbon emissions why did my bill go up when the carbon price came in? Unfortunately, the answer from ActewAGL has been anything but simple.

Since my first article about this in *The Canberra Times* (July 14) I have received numerous emails and phone calls from incredulous and angry Canberrans. Charging the carbon price and telling green power customers that they are not producing emissions is fundamentally inconsistent. Common sense says one of them has to be wrong.

Green power is a scheme that has been in place since the 1990s and allows customers to choose to get their electricity from renewable sources that do not generate greenhouse gas emissions. Energy retailers charge a premium to supply green power and this is typically expressed as an amount in cents per kWh above the price of its non-renewable electricity.

The introduction of the carbon price should encourage the use of green power by making black power (power from fossil fuels) more expensive. This would be reflected by a narrowing of the gap between the price of black power and green power. However, the price gap for ActewAGL's green power has not decreased as the company has chosen to pass on the carbon price to these customers.

ActewAGL has responded to public concerns by blaming the Federal Government. The company explained that since all the electricity it buys comes with the carbon price already attached, it is simply passing it on, including to green power customers.

If that's the case then it throws up a number of questions. On the electricity bills of ActewAGL customers is a graph that shows the current quarter's energy consumption and the proceeding four quarters. On this same graph are the greenhouse gas emissions that correspond with the

customer's electricity consumption. For those customers that purchase 100 per cent green power their greenhouse gas emissions are recorded as zero.

If ActewAGL green power customers are producing zero emissions then why are they being charged the carbon price?

The question that ActewAGL needs to answer is whether its green power customers are buying electricity that is free of carbon emissions? If so, then they should not be charged the carbon price. If it is buying electricity that has carbon emissions then why is ActewAGL telling customers on every bill that they are not producing emissions?

ActewAGL could try and fix this problem. One way they could do this is to follow the lead of Origin Energy which has narrowed the gap between their black and green power. Origin now charges 3.08c per kWh for green power. Another major retailer TRUenergy charges 3.65c per kWh, while ActewAGL customers are charged 7.5c per kWh. Going by the prices of the other main electricity retailers, there seems to be scope for ActewAGL to move on this issue.

Unfortunately, it has chosen a different course of action. Its response has been to offer customers the option of leaving green power with no penalty. Put another way, the company seems willing to encourage people out of a scheme that is actually helping to reduce emissions.

Most people buy green power in order to make a difference. For most people their motivation is to reduce emissions because they are concerned about the warming of the planet. It would be an extremely cynical exercise to try and take advantage of people's goodwill; almost as cynical as telling people that their emissions are zero when you don't think that is the case.

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