

# Buying GreenPower and Large-scale Generation Certificates (LGCs) for your business

# You've got the power to **accelerate** Australia's transition to renewably sourced energy.

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**Buying GreenPower or LGCs are 2 ways you can prove you're buying renewable electricity.**

They show you're actively helping to increase the amount of electricity generated from renewable sources – like wind and solar farms – in Australia.

By buying GreenPower or LGCs you'll help accelerate Australia's transition to renewably-sourced energy – above the federal government's mandated targets.

## GreenPower

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Buying GreenPower is your fastest and easiest way to buy renewable electricity. GreenPower is a government program that allows households and businesses to support the generation of electricity from renewable sources. GreenPower carries out the administrative work of ensuring a renewable claim is credible. When you buy standard LGCs, you are required to do this work yourself.

There are a couple of ways of buying GreenPower. The easiest way is to opt for a GreenPower electricity plan through your electricity provider. This method of buying renewable electricity is known as **'coupled'**. When you opt for a 100% GreenPower electricity plan, your energy provider must buy the equivalent amount of electricity you use from renewable energy farms.

You can also buy GreenPower certificates separate to your electricity plan through a GreenPower accredited broker. This method of buying renewable electricity is known as **'decoupled'**.

## LGCs

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Large-scale Generation Certificates (LGCs) are tradable renewable energy certificates that track renewable electricity generation. One LGC represents one megawatt hour of generation exported to the electricity grid by renewable energy generators, like wind and solar farms.

Many companies now voluntarily purchase and retire LGCs to meet their renewable energy or net zero emissions targets. This market is growing as more companies set and seek to meet similar targets. Like GreenPower, you can buy LGCs coupled with your electricity contract, or separately.

## Myth bust

Many people believe a carbon neutral electricity plan is equivalent to a renewable electricity plan. It's not. Carbon neutral electricity plans, or buying from a carbon neutral company, doesn't help get more electricity from wind and solar farms made.

When you have a carbon neutral energy plan, or buy from a carbon neutral electricity provider, your provider is simply offsetting emissions by buying carbon offsets. Companies buy these carbon offsets from climate action projects all around the world. It could be a project like planting trees in regional Australia, landfill management in Brazil, or swapping light fittings in India. It can take years and years for these projects to mop up the carbon in the atmosphere that electricity produced from coal creates today.

To reduce your emissions and claim you're 100% renewable, you need to buy accredited GreenPower or LGCs – not simply buy electricity from a **carbon neutral company**.

## Glossary

	Coupled	Decoupled	
	GreenPower	GreenPower	LGCs (non-GreenPower)
Description	GreenPower purchased from a GreenPower accredited electricity provider, added (coupled) to your electricity contract	LGCs purchased from a GreenPower accredited broker	LGCs purchased from a broker or other source

## Recognised by

Programs that recognise buying GreenPower and LGCs as legitimate methods for reducing your scope 2 emissions:

- ✔ NABERS
- ✔ Greenstar
- ✔ B-Corp
- ✔ R100
- ✔ Climate Active
- ✔ SBTi (Science Based Targets)

# Greenpower and LGC purchasing options – pros and cons

	Coupled GreenPower	Decoupled GreenPower	Decoupled LGCs	
	Add to electricity contract	Purchase separate to electricity contract	Annual purchase	3–7 year purchase
Best suits	Small businesses and organisations with lower annual electricity use, and less experience with energy markets, energy contracts and LGCs	Organisations that don't want to change electricity plan or provider	Businesses and organisations that prefer more transparency and control, have a larger energy spend and the resources to build a relationship with a broker and manage periodic purchases of LGCs. Businesses and organisations that want to know which wind and solar farms they're supporting	Medium sized businesses and organisations with more capacity and resources, a larger spend on energy, and desire to reduce the cost of LGCs and have greater budget certainty. Businesses and organisations that want to know which wind and solar farms they're supporting
Benefits	Very easy and available from most electricity providers. Accredited, so no further effort required to be able to claim you're 100% renewable	You can nominate the amount of GreenPower you want to buy and buy as little or as often as you want. Accredited, so no further effort required to be able to claim you're 100% renewable	More control of who you buy from – which wind and solar farms you support. Can find the cheapest or preferred LGCs as needed. Keeps flexibility to choose preferred provider for electricity supply	Better pricing and budget certainty. LGC contracts are generally at fixed prices for 3-7 years. More control of who you buy from – which wind and solar farms you support. Can find the cheapest or preferred LGCs as needed. Keeps flexibility to choose preferred provider for electricity supply
Challenges	Potentially less negotiating power on cost of GreenPower. No transparent connection to a particular wind or solar farm*	Limited decoupled providers. Less price variety / competition. No transparent connection to a particular wind or solar farm*	More effort to identify supplier and negotiate. Price may vary over time. It's potentially cheaper or less risky to commit to longer term purchase. May require independent verification to be able to claim you're reducing emissions or are 100% renewable	More effort to setup and negotiate. May require independent verification to be able to claim you're reducing emissions or are 100% renewable. Risk of excess or shortfalls of LGCs
When to buy	When you're revising or renegotiating your electricity contract, ideally at least 2 months prior to the contract end date	You can buy anytime, either in arrears or to cover future emissions	You can buy anytime, either in arrears or to cover future emissions	When you know your carbon emissions forecast and can buy for several years ahead. LGCs can either be purchased on the 'spot' market (paying today's price for LGCs available now), or for several years ahead, which is usually for 3–7 years. This is known as buying in strips. The benefit of buying in strips is that you lock-in prices for future years or 'vintages' rather than taking a risk on that price increasing
Where to buy	<b>Most electricity providers</b>	<b>Some electricity providers</b> – when using the GreenPower website to find a provider, choose 'event and decoupled'	Some electricity providers, energy consultants or brokers. They can also be purchased directly from wind or solar farms. This is typically only done by very large electricity users. For a list of energy consultants and brokers, visit <a href="http://businessrenewables.org.au/provider-profiles">businessrenewables.org.au/provider-profiles</a>	

\*GreenPower does have a couple of other programs, [GreenPower Connect](#) and [GreenPower Corporate Direct](#) linked to specific wind or solar farms. These are suitable for larger organisations. See [greenpower.gov.au/get-greenpower/greenpower-corporate-direct](http://greenpower.gov.au/get-greenpower/greenpower-corporate-direct) and [www.greenpower.gov.au/get-greenpower/greenpower-connect](http://www.greenpower.gov.au/get-greenpower/greenpower-connect)

# Tips for **buying** GreenPower and LGCs

Many companies switch to GreenPower with their existing electricity provider. We recommend you consider the following to ensure you maximise your purchasing power, receive competitive prices, and meet your goals.

The process outlined is the same for both smaller and larger organisations. Time frames will vary depending on the size and complexity of your business and your chosen purchasing method.

## Step 1 Research

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- Understand your current annual electricity use, tariffs, and costs. For some organisations, this may involve multiple locations or even different states.
- Internal stakeholder engagement: Check in with key internal stakeholders and understand their drivers and any key issues.
- Speak with the **Business Renewables Centre Australia** and organisations that have switched to GreenPower for tips and market updates. This is less necessary if you have a small business or organisation.
- **Start your business case.** The following steps will enable you to add the required information to complete it. If you have a small business or organisation, you may not need to do this.

**Time frame:** One hour to 4 weeks

## Step 2 Prepare

### Choose your preferred purchasing method

#### GreenPower electricity plan (coupled)

- **Research accredited GreenPower suppliers** and create a short list.
- If you care about overall company ethics, transparency in marketing and ending fossil fuel use as soon as possible, you might like to check out how electricity providers are ranked in the **Green Electricity Guide**, Australia's only unbiased ranking of electricity retailers.
- Compile information to give to short listed providers including sites, yearly consumption, and proposed start of new supply.

#### LGCs, including decoupled GreenPower

- **Research brokers, energy consultants and electricity providers** and create a short list.
- When searching for providers on the **GreenPower** site, choose 'event and decoupled' from the drop down list.
- Compile information to give to short listed providers including sites, yearly consumption, and proposed start of new supply.
- Websites like **Zembl** can also get quotes for you.

**Time frame:** One to 2 weeks

## Step 3 Get quotes

- Call electricity providers, energy consultants or brokers and provide information as required. Tell them when you'd like the quote.

**Time frame:** Three days to 4 weeks



Domain office, Sydney. GreenPower customer. Photography by Stefanie Zingsheim

## Step 4 Finalise

- Review and compare quotations. Consider the following:
  - Pricing
  - Term length, terms and conditions
  - Project appeal (if you're purchasing decoupled LGCs and a specific solar or wind farm is identified)
    - location, type and any related environmental or community benefits identified
  - Tenderers' company values (where available) and whether they align with your own. For example, carbon neutral, modern slavery policy and so on
- Select provider
- Seek internal sign-off for recommended provider
- Work with successful provider to change your electricity plan or finalise purchase of LGCs
- Develop marketing and communications to celebrate your switch

**Time frame:** One to 2 weeks

## Final tips

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- 1 There is no better or worse buying option. Choose the renewable energy solution that suits your business or organisation best.
  - 2 Shop around to ensure you get a competitive offer.
  - 3 Make sure you tell the world. Develop marketing and communications to celebrate your switch to renewables to build your brand with your clients, suppliers, and staff.
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## Handy links:

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- [Learn more about GreenPower](#)
- [Find GreenPower providers](#)
- [Find LGC price forecasting](#)
- [Learn more about the Business Renewables Centre Australia](#)