

# Carbon Solutions Briefing Note

**Date:** 16 July 2008

**Subject:** NSW Energy Efficiency Trading (NEET) Scheme



## **Background:**

As part of the NSW Government's \$150 million energy efficiency package, the government announced its NSW Energy Efficiency Trading (NEET) Scheme.

The scheme will re-vamp the Demand Side Abatement (DSA) component of the existing Greenhouse Gas Abatement Scheme. Under this scheme, to meet the targets, energy retailers will be required to surrender tradeable green credits, which will be created by delivering more and better energy efficiency products and services in homes and businesses.

The NEET scheme will run alongside the GGAS scheme, which will continue to operate till 2010 when the Australian Emissions Trading Scheme is scheduled to commence.

## **About the scheme:**

- ◆ The NEET scheme will commence on 1 January 2009 and run to 2020.
- ◆ The scheme will impose greenhouse gas reduction targets on electricity retailers. It is proposed that the NEET Scheme will cover all electricity used by grid-connected customers in NSW except electricity sales to trade-exposed emissions-intensive industries.
- ◆ NEET targets will be in addition to existing GGAS targets
- ◆ AS of 1 January 2009 all DSA accreditations currently under the GGAS scheme will move across to the new scheme and create NEET certificates (NEECs). One NEEC is equivalent to one tonne of CO<sub>2</sub>. From the same date, DSA activities would no longer be eligible to create NGACS for compliance with GGAS benchmarks

## **What does this mean for customers?**

- ◆ NSW Customers will see an additional NEET charge on their electricity bill as well as the existing GGAS charge. Prior to the release of the scheme targets, this charge cannot be determined.
- ◆ Large customers who currently manage their own liability under the NSW GGAS scheme will not be able to do so under NEET.
- ◆ AGL can assist residential, commercial and industrial customers benefit from the NEET scheme, by undertaking energy efficiency initiatives at their premises.