

Energy Policy

1. Background

Victoria is one of the greatest per capita emitters of greenhouse gases in the world.

Brown coal-based electricity is responsible for around half of Victoria's greenhouse gas emissions. It is cheap by international standards because there is no charge for carbon emissions and this results in a large disincentive to switch to low emission sources.

Policies to reduce greenhouse gases must recognize the need to raise consumer prices to reflect the environmental cost, while protecting those least able to afford the costs. However, pricing alone is not enough to solve this massive problem. The privatised and lightly regulated market structures encourage short term profit from the sale of energy and thereby discourage long term investment and energy use efficiencies. The Victorian power generators will be unable to finance the investment required to restructure the power industry.

Only direct action by governments to change the market rules and finance the changes required to restructure power generation, transport and energy use will enable deep cuts in emissions.

2. Principles

The Australian Greens Victoria believe that:

1. State and local energy strategies must be based upon the principles of ecological sustainability and social equity, while ensuring that sustainable businesses remain competitive through energy efficiencies.
2. Exclusive and efficient use of renewable energy and material recycling represent the only viable route to achieving a sustainable energy industry.
3. Efficient use of renewable energy will increase quality of life and job creation.
4. Incentives for sustainable transformation need to be accompanied by disincentives to the consumption of fossil fuel.
5. All buildings and appliances need to be energy-efficient.
6. All households need affordable energy to meet essential needs.
7. Environmental costs need to be factored into the consumer price of energy in such a way as to encourage transformation while avoiding poverty.
8. Market failure means that transformation of the energy industry will only be achieved through direct government intervention.

3. Goals

The Australian Greens Victoria will work towards:

1. A reduction in greenhouse gas emissions from all sources by at least 40% from 1990 levels by 2020 and to zero net emissions by 2050).
2. National energy markets reformed to remove perverse incentives that encourage demand growth.
3. The maximum use of renewable energy for all power purposes.
4. An Energy Efficiency Adjustment Fund established to fund energy efficiency programs.
5. A fuel poverty alleviation strategy in place.

4. Key Priorities

The Australian Greens Victoria will work towards:

1. Facilitating maximum reduction in carbon emissions, by:
 - Phasing out the use of brown coal, using a combination of energy efficiency, fuel substitution and renewable energy.
 - Abolishing the Alcoa smelter levy.
 - Assisting industrial and commercial energy consumers to reduce consumption.
 - Assisting electricity users to reduce summer peak electricity demand.
 - Improving building performance rating systems.
 - Assisting industry retrofit with low emissions equipment.
 - Supporting energy service companies that assist consumers to conserve energy by selling energy services at least cost, instead of energy.
2. Advocating through the Ministerial Council for Energy for wide-scale reform of the national energy market to favour reduced power consumption.
3. Maximising the use of renewable energy, by:
 - Extending the transmission system
 - Working with all stakeholders to achieve demand reductions.
 - Developing an energy retrofit strategy for existing buildings.
 - Providing structural adjustment assistance for rural and regional consumers.
 - Supporting the production of biofuels by farmers for use as tractor fuels.
 - Ending the burning of woodchips from native forests.
 - Supporting independent fuel distributors, and assisting the development of markets for alternative fuels such as LPG, methanol, waste stream diesel and fuels from biomass.
 - Facilitating the connection of small-scale distributed electricity generation.
 - Using revenue raised through a levy on the transmission of energy to finance the restructuring of the power sector.
4. Rolling out smart meters by 2012 and mandating time-of-use pricing for domestic and small commercial customers, to replace system load profiles which often disadvantage low energy consumers.
5. Mandating and assisting efficiency improvements at the smelters.
6. Legislating for 'gross feed-in' tariffs for renewable energy and gas cogeneration.
7. Mandating compliance with emissions standards and the disclosure of energy performance ratings for buildings prior to construction, refurbishment, sale or lease.
8. Ending support for the development of oil from coal and CCS technologies.