

Questions in Writing

No. RBA11QW

Member: Mr Bandt

(a) How many applications were submitted for tender to supply electricity for the RBA?

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(b) Was the successful applicant chosen as being the cheapest offer or were there other considerations; if there were other considerations, please list them.

The predominant consideration was total price. The Bank also required that the successful tenderer be investing in renewable energy supply, and has the ability to provide up to 100 per cent of the Bank's electricity needs from GreenPower (a product that coordinates the sale of accredited renewable energy supplies). Other considerations included supply reliability, customer service and reporting capabilities to enable the Bank to track its electricity usage.

(c) Was consideration given to choosing an applicant that did not own or operate fossil fuelled power generation?

The majority of the responses to the tender were from companies that have some form of fossil fuelled power generation as well as renewable energy generation. Price was the predominant consideration and then the ability of the supplier to be able to provide an increasing share of the Bank's electricity needs from GreenPower. The Bank also considered the tenderers' investment in renewable energy sources as part of the non-price criteria.

It is worth noting that the tender was for the retail supply of electricity. The electricity supply is not specific to a particular power generation source – it is a pooled supply from all sources that feed into the national grid.

(d) Were there conditions on the contract that power be sourced from clean generation or GreenPower certificates?

The tender required the successful applicant to be able to source up to 100 per cent of the Bank's electricity requirements from GreenPower.

(e) In selecting the ultimately successful tenderer, was consideration given to:

- (i) The fact that this contract would ensure three years of cash flow to a coal-fired power station; and
- (ii) The fact that the owners of the company have regularly made donations to political parties?

All aspects of the supply of energy were considered by the Bank, including the tenderer's ability to provide GreenPower.

The political affiliations of tenderers have no bearing on procurement decisions made by the Bank.

(f) Is the RBA investing in any energy efficiency measures to drive down the amount of electricity required?

Yes. There are a number of new and planned improvements to the Bank's buildings to reduce their environmental footprint. These include:

- *completion of a rooftop solar panel installation for the Bank's Business Resumption Site in Bella Vista, in north-west Sydney*
- *enhanced demand-based operation for the Bank's Head Office cooling and air-conditioning systems*
- *upcoming renovations of the Bank's Head Office and Coombs Centre buildings in Sydney, resulting in material changes to both buildings that will reduce electricity usage significantly and improve their performance under the National Australian Built Environment Ratings System (NABERS) and Greenstar ratings. This includes the installation of solar panels on both buildings*
- *plans to install solar panels at the Bank-owned sites in Melbourne.*

(g) How does this energy acquisition conform with the statement from the Bank of International Settlements, that the RBA is a member of, that "climate change could lead to the next 'Green Swan' event and be the cause of the next financial crisis".

The purpose of this procurement was to buy an energy supply that meets our needs on price and environmental sustainability.

Reserve Bank of Australia
5 January 2021