



## Supporting Individual Action

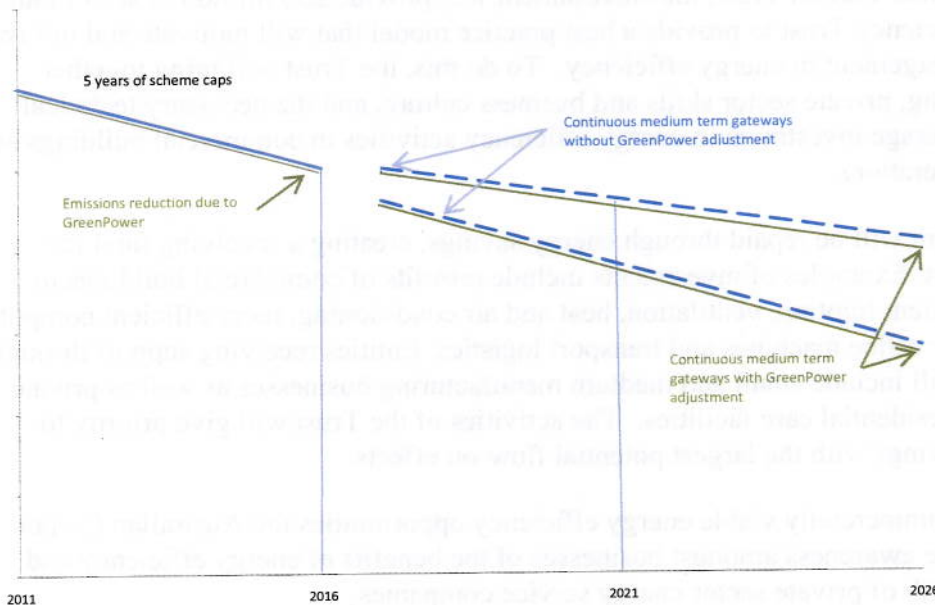
Action by households, businesses and community groups is a key part of Australia’s national strategy to reduce carbon pollution. Through their energy and fuel use, households are responsible for around 25 per cent of greenhouse gas emissions covered by the Carbon Pollution Reduction Scheme. Stationary energy accounts for around 50 per cent of our carbon pollution. Initiatives to help individual households and businesses cut energy use are important complementary measures to the Carbon Pollution Reduction Scheme in taking the fight to climate change.

### Reducing emissions through GreenPower

Households and businesses that purchase accredited GreenPower increase the supply of renewable energy and assist in the transition to cleaner energy sources. To recognise individual action in purchasing more GreenPower, the Government will take additional GreenPower purchases, above 2009 levels, into account in setting Carbon Pollution Reduction Scheme caps.

Additional GreenPower purchases will be measured annually and used to set caps five years into the future, on a rolling basis. For example, the 2016–17 cap will be tightened to reflect the difference between 2009 and 2011 GreenPower sales, multiplied by a factor to reflect the emissions saved. This will achieve emissions reductions beyond Australia’s national targets as it will be backed by the cancellation of Kyoto units.

#### A stylised example:



## ***Australian Carbon Trust***

The Government will commit \$75.8 million from 2009–10 over 5 years to establish the Australian Carbon Trust to further support individual action by households and businesses. The Australian Carbon Trust will provide information and tools for households and businesses to effectively participate in Australia's climate change response.

Households and businesses will be able to apply the savings gained from cutting energy use to achieving emissions reductions beyond Australia's existing greenhouse gas emission reduction targets. Businesses will benefit from demonstration projects of cost saving energy efficiency measures in existing buildings.

## ***Energy Efficiency Savings Pledge Fund***

Under the Australian Carbon Trust, the Government will allocate \$25.8 million over 5 years to establish the Energy Efficiency Savings Pledge Fund to help households and small businesses understand the emission reductions and dollar savings to be gained from cutting energy use.

Web based tools will enable households and small businesses to calculate their energy use and the dollar savings that can be made through actions to reduce energy use such as installing energy efficient appliances. Individuals can then pledge the resulting savings, or any other amount, to the Energy Efficiency Savings Pledge Fund. The fund will buy and cancel carbon pollution permits to create additional emission reductions. Individuals could also choose to purchase and cancel offset credits complying with the Government's forthcoming National Carbon Offset Standard.

Pledges will be tax deductible. Because the fund will pool pledges, even small amounts can combine to make a big difference to the environment.

## ***Energy Efficiency Trust***

Under the Australian Carbon Trust, the Government will provide \$50 million in seed funding to an Energy Efficiency Trust to provide a best practice model that will motivate and inform private sector engagement in energy efficiency. To do this, the Trust will bring together public seed funding, private sector skills and business culture, and the necessary technical knowledge to leverage investment in energy efficiency activities in commercial buildings and other business operations.

Upfront investment will be repaid through energy savings, creating a revolving fund for further investment. Examples of investments include retrofits of commercial buildings to deliver more efficient lighting, ventilation, heat and air conditioning, more efficient computer systems and other office machines and transport logistics. Entities receiving support through Trust activities will include small and medium manufacturing businesses as well as private and community residential care facilities. The activities of the Trust will give priority to demonstrating savings with the largest potential flow-on effects.

By showcasing commercially viable energy efficiency opportunities the Australian Carbon Trust will increase awareness amongst businesses of the benefits of energy efficiency and facilitate the growth of private sector energy service companies.