The power of consumer choice

Case Study: Meridian Energy

What do craft beer, chardonnay, insurance, and breathing masks have in common? Every time you buy them, you are supporting 100% renewable energy.

Meridian Energy offers New Zealand businesses a new product for them to show their support for 100% renewable energy, and reduce their Scope 2 emissions at the same time. The product is enabled by the New Zealand Energy Certificate System (NZECS), administered by Certified Energy.

And the product has been a big hit with consumers, judging by sales of New Zealand’s first certified 100% renewable energy beer, ‘Turbine’ from Garage Project.

Garage Project, Fisher & Paykel Healthcare, Pernod Ricard Winemakers and Suncorp are among some of the first companies to adopt the 100% Certified Renewable Energy product, which allows them to purchase certificates matching their electricity consumption with Meridian’s 100% renewable energy generation.

Brewing up a storm

In 2019, Garage Project brewery partnered with Meridian to produce Turbine Pale Ale, supporting renewable energy.

With Wellington’s iconic Brooklyn turbine only a few kilometres away, the collaboration between Garage Project and Meridian marked the first time that a certified renewable energy product has been made available in New Zealand – providing Garage Project with a clear means to recognise and celebrate their preference for renewable electricity generation.

So whilst Garage Project’s brewery isn’t directly plugged into the turbine, the electricity they use is matched on an annual basis with 100% renewable energy generated from Meridian's Brooklyn Turbine.

Having an understanding of how electricity is generated allows consumers to consider the environmental impact of electricity
generation, enabling them to make an active choice to which generator to partner with. Garage Project co-founder, Jos Ruffell, says they’re proud to be the first to use Meridian’s certified renewable energy mark made possible by Meridian’s participation in the NZECS.

“I think it’s important to set an example and show you can be in business and do your bit for sustainability too. We can brew the beer we love, be sustainable, and at the same time celebrate Wellington, the city we love. Turbine Pale Ale is about all of these things.”

How it works

Renewable energy certificates (RECs) are issued by the NZECS and are allocated to businesses in an equivalent quantity to the amount of electricity they use in a 12-month period.

NZECS makes sure that the units are described correctly and are only counted once.

Certified Renewable Energy also enables businesses to report their Scope 2 electricity emissions as zero, using the market-based reporting methodology outlined in the GHG Protocol.

New Zealand’s electricity market presents challenges to procuring 100% renewable energy because electricity generated from hydro stations and wind farms is combined into a single wholesale pool, alongside energy generated from non-renewable sources.

Similar markets overseas have addressed this by issuing RECs, enabling businesses to guarantee generators have produced renewable energy at least equal to their total consumption.

The Palmerston North-based Certified Energy established the scheme to meet international precedents for RECs while working in the New Zealand context.

“Investors and customers want to know that companies are operating responsibly”, says Tim Middlehurst, Chief Executive of Certified Energy.

“Energy certificates give businesses a straightforward way to match their energy use with 100% renewable energy generation, or any other type of energy that matches their brand values, such as zero carbon or locally-generated.”

Meridian’s Chief Customer Officer, Lisa Hannifin says there is a groundswell of demand among New Zealand businesses for renewable energy procurement, which is already available in many countries including Australia.

“In Australia businesses can certify, despite only a third of their energy coming from renewable sources, and their ongoing reliance on coal. As a 100% renewable generator, it makes sense for Meridian to give Kiwi businesses the same opportunity.”

“Despite 85% of our energy coming from renewable sources, New Zealand is one of the few developed countries where there has previously been no market or regulatory framework enabling the certification of renewable energy,” Lisa says.
Healthy business, healthy planet

After the successful pilot with Garage Project, Meridian’s Certified Renewable Energy certificates were also accepted by Toitū Envirocare in their audit of Fisher & Paykel Healthcare’s “carbonreduce” certification.

In 2019, CLC member Fisher & Paykel Healthcare set out to reduce Scope 2 carbon emissions at the New Zealand campus.

NZECS audits Meridian’s energy generating facilities at Benmore Hydro station and then issues renewable energy certificates for each megawatt-hour (MWh) of energy generated. Fisher & Paykel Healthcare then purchased renewable energy certificates to cover the amount of MWh of electricity they have used.

The Fisher & Paykel Healthcare 2020 Annual Report stated: "Fisher & Paykel Healthcare is one of the first companies in New Zealand to purchase renewable energy certificates. [...] It is the first initiative of scale we have implemented to assist in reducing our carbon emissions.

“During FY20 we purchased 24,283 renewable energy certificates, which is equal to our documented electricity consumption of 24,283 MWh.”

By purchasing renewable energy certificates, Fisher & Paykel Healthcare has been able to reduce Scope 2 carbon emissions by 2,373 tonnes of CO₂e.

Wind in the vines

Pernod Ricard Winemakers is partnering with Meridian to produce wine with the help of 100% certified renewable electricity for all Pernod Ricard Winemakers sites.

Tracey Marshall, Pernod Ricard Winemakers New Zealand’s Sustainability Manager said "Upwards of 80 percent of New Zealand's energy is renewable, and it all goes into the national grid. But there is still some non-renewable electricity generation in the national grid, which you can’t separate out from our supply.

"Energy certificates enable us to match our electricity consumption with the certified renewable electricity being generated."

Brett McKinnon, Pernod Ricard Winemakers’ Chief Operations Officer, said “Being sustainable and responsible is an integral part of our New Zealand wine business and has been for many years, which makes this a natural next step for us.”
“We want to minimise our impact on the communities where we operate and preserve the environment for future generations to come.”

Thinking outside the box

Suncorp New Zealand is the first New Zealand insurer to adopt Meridian Energy’s 100% Certified Renewable Energy product.

The move follows Suncorp Group’s announcement that the business has joined RE100, a global initiative by The Climate Group, in partnership with the Carbon Disclosure Project, of more than 240 businesses who share a common goal of transitioning to 100% renewable electricity.

“Suncorp’s investment in this certification means our New Zealand business can now report our Scope 2 electricity emissions as zero,” says Roschelle Marshall, Corporate Responsibility Manager at Suncorp New Zealand. “The NZECS certification confirms our support of renewable energy generation to help the wider Group reach this goal, and our commitment to sustainable growth.

“We’ve made great strides as a business in reducing our environmental impact, and this certification is an important step towards meeting our greenhouse gas emission reduction targets of 51% absolute reduction by 2030 aiming for net-zero emissions by 2050, and our Climate Leaders Coalition commitments.”

Lisa Hannifin says Meridian has seen strong demand for certified renewable energy options for some time. “As New Zealand’s largest renewable energy generator it is only natural we find ways to make this happen.

“New Zealand’s renewable energy generation should be a selling point for local businesses.

“Meridian’s Certified Renewable Energy finally gives them the ability to leverage this when competing on the world stage and demonstrate their commitment to New Zealand’s low carbon future.”

About Meridian Energy
Meridian Energy is creating a better energy future by harnessing the power of renewable energy sources – water, wind and sun. They are the largest renewable electricity generator in New Zealand. More on Certified Renewable Energy: [www.meridianenergy.co.nz/business/sustainability/certified-renewable-energy](http://www.meridianenergy.co.nz/business/sustainability/certified-renewable-energy)

About the Climate Leaders Coalition
The Climate Leaders Coalition was launched in July 2018 with 60 original signatories to create a movement of business action on climate change. Signatories account of 60% of New Zealand’s gross emissions, employ more than 170,000 people, and represents nearly one third of private sector GDP. This includes measuring and publicly reporting their greenhouse gas emissions, setting a public emissions reduction target, and working with suppliers to reduce their emissions.

About the Sustainable Business Council
The Sustainable Business Council (SBC) is a CEO-led membership organisation with over 100 businesses from all sectors, ambitious for a sustainable New Zealand. Our members represent $87 billion of collective turnover, 28% of GDP, and nearly 160,000 full-time jobs. Our network gives our members unparalleled influence and the ability to take large-scale collective action. SBC is part of the BusinessNZ family and is the New Zealand Global Network partner to the World Business Council for Sustainable Development.