

# **Essential Updates**

Victorian Energy Upgrades program November 2023



# Program updates (Aug - Nov 2023)

• Water heating and space heating activity updates

View all program updates.

#### Contact us

VEU support service: (03) 9032 1310 or <a href="mailto:veu@esc.vic.gov.au">veu@esc.vic.gov.au</a>

### From our Executive Director

I'm excited to have recently started in the role of Executive Director, Victorian Energy Upgrades. I'm looking forward to being a part of this important program that is contributing to Victoria's transition to a new zero emissions economy and helping Victorian households and businesses to save on their energy bills.

Following the departure of former Executive Director Gabrielle Henry in July, Cherie Canning has done a fantastic job leading the team through a busy and critical time of change for the program.

Over the past few months, the team has continued to embed changes introduced on 1 July 2023, including new and revised program fees, new accreditation processes and standards, and strengthened compliance and enforcement powers for the commission. There has also been a lot of work to prepare and implement further new program fees and associated changes from 1 November 2023.

In line with these changes, we have bolstered the team to make sure we can effectively administer and regulate the program, so it delivers the intended positive outcomes for consumers, industry and the environment. This includes additional capability and resources to support and engage industry, actively monitor compliance and enforce the program rules where required.

We will hold another online stakeholder forum on 5 December, which will be an opportunity to check in, hear updates about the program and to ask questions. I hope to see you there.

#### **Baethan Mullen**

Executive Director, Victorian Energy Upgrades

# Changes to the program

## New VEU program fees now in effect

On 1 November 2023, changes to VEU program fees and remaining provisions of the Victorian Energy Efficiency Target (VEET) Amendment Act 2022 came into effect. In addition to the new fees, changes to invoicing and payment of Victorian energy efficiency certificate (VEEC) creation fees, introduction of a new VEET Scheme Registry Account, and revised process to vary accreditation conditions also came into effect.

The fee changes are in addition to program and fee changes that commenced on 1 July 2023 to help resource the commission to effectively exercise its functions and oversee the program. Read more on <u>our website</u>.

### Accreditation renewal process now under way

The accreditation renewal process for existing accredited persons has commenced, in line with new accreditation processes and standards that came into effect on 1 July 2023. Accredited persons must now apply to renew their accreditation each year, including passing a 'fit and proper person' test, and a 'competent and capable person' test. Together with strengthened functions and powers for the commission, and a new fee structure, these changes enhance effective regulation and resourcing of the program to deliver the best outcomes for consumers, industry, and the environment. Read more on our website.

# Space heating activity updates for installation of multi-split systems (activity 6)

The Department of Energy, Environment and Climate Action (the Department) has released <u>VEU Specifications – Version 16.0</u> which includes new product requirements and changes to the input values used for calculating Victorian energy efficiency certificates (VEECs) for multi-split systems under part 6 of the specifications. These changes come into effect on 1 January 2024. We have released updated guides and forms in response to the changes. Read more on <u>our website</u>.

#### **Consultations**

#### Refrigerated cabinets activity review

The Department of Energy, Environment and Climate Action (DEECA) undertook a consultation on the revision of the refrigerated cabinet activity in the VEU program in July 2023. A review of the activity is being undertaken further to the declaration of a discount factor for plug-in refrigerated cabinets by the Minister for Energy on 29 June 2022. The review is intended to ensure the activity appropriately incentivises the upgrade and installation of refrigerated cabinets and meet the objectives of the program. The consultation has closed and the department's response to the consultation is expected soon.

#### Proposed telemarketing ban update

The Department undertook a <u>stakeholder consultation process</u> in July on the proposed ban on telemarketing under the Victorian Energy Upgrades program. The consultation has closed and the department is considering stakeholder feedback.

## Victorian Energy Upgrades Performance Report 2022

We released the Victorian Energy Upgrades Performance Report 2022 in September, which highlights program outcomes, and the work the commission undertook in the 2022 calendar year. 818,000 upgrades were delivered across 535,000 households and businesses in 2022, a 25 per cent increase compared to 2021. These upgrades are expected to deliver over 7.8 million tonnes of greenhouse gas emissions savings. Read more on our website.

#### Online VEU Forum on 5 December 2023

An online VEU Forum for industry stakeholders will be held on Tuesday 5 December 2023 (10am to 11:30am) to provide updates about the program, changes and priorities, and an

## Compliance and enforcement update

## Obligations of accredited persons and scheme participants under the program

Accredited persons and businesses conducting activity on their behalf under the program must meet their obligations under the code of conduct. Accredited persons must have systems and processes in place to monitor compliance of activity carried out on their behalf and if they don't, they risk enforcement action and it may impact on their eligibility to have their accreditation renewed.

We continue to receive consumer complaints about installation quality/compliance, telemarketing and doorknocking conduct under the VEU program, including high-pressure tactics and contacting consumers on the Do Not Call register. To support compliance, fact sheets have been developed and issued via email to all accredited persons, summarising key obligations of installers, and lead generation and marketing under the program.

## Recent enforcement action for alleged non-compliant installations and certificates

We recently took action against two accredited persons due to alleged inaccurate claims of upgrade activities and non-compliant installations. While this related to alleged actions by contractors, action was taken against the accredited persons who are responsible for compliance with program rules. The commission is increasingly concerned about the poor conduct of some scheme participants and will not hesitate to hold accredited persons accountable for the conduct of their contractors.

The recent actions taken by the commission included the refusal/surrender of VEECs valued at over \$90,000 for the alleged non-compliant activity. Audit and rectification requirements were imposed on one accredited person, and the other warned their compliance monitoring policies and procedures will be closely reviewed as part of their accreditation renewal application evaluation. Read more on our website.

# **Program statistics**

Program statistics can be found on our website.

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