

Essential Updates

Victorian Energy Upgrades program August 2024



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From our Executive Director

In recent months we have seen further significant change for the Victorian Energy Upgrades (VEU) program with the introduction of the doorknocking ban on 1 August 2024, which followed the 'cold-call' telemarketing ban on 1 May 2024. The telemarketing and doorknocking bans, heat pump water heater installations and baseline manipulation are our three <u>strategic priorities for compliance and enforcement in 2024–25</u>, underpinned by five enduring priorities.

We have started engaging with the Department of Energy, Environment and Climate Action (the department) on the Strategic Review of the VEU program announced in the Victorian Budget 2024–25. The department recently released the Terms of Reference of the review and announced that and an Stakeholder Reference Group has been established to support the review. We encourage industry stakeholders to participate in future consultation processes to have your say.

We continue to implement changes that came into effect last year to strengthen the integrity of the VEU program and protect consumers. This includes the inaugural assurance audit process for accredited persons that commenced in August, the ongoing assessment of accreditation renewal applications and the introduction of VEET scheme registry accounts for those who hold, transfer and surrender Victorian energy efficiency certificates (VEECs). Due to the complexity of these changes, there have been delays in assessing renewal applications and providing advice about VEET scheme registry accounts to stakeholders. We appreciate your patience as we work through these as quickly as possible.

Latest program updates

August 2024

 Doorknocking ban under the <u>Victorian Energy Upgrades</u> <u>program takes effect from 1</u> <u>August 2024</u>

July 2024

- Changes to water heating, space heating and cooling, and cold room activities from 1 August 2024, and updates to VEU registry
- <u>Updates to non-building</u>
 <u>based lighting upgrade</u>
 (activity 35) requirements
- <u>Updates to water heating</u> <u>activities (activities 1,3 and</u> <u>44)</u>

June 2024

<u>Clarifying compliance</u>
 <u>requirements under the</u>
 <u>telemarketing ban</u>

May 2024

 Changes to product application guidelines

View all program updates \rightarrow

It has also been a busy period for business-as-usual activity. This included the annual energy acquisition shortfall statement process for relevant entities and the 30 June VEEC creation deadline for activities undertaken in 2023. In the three months prior to 30 June, we processed 1,454,064 VEECs, registered 1,265,626 VEECs and approved 60 impact reports for project-based activities for the 2023 period, including the first ever benchmark rating impact report since the introduction of the activity in 2018.

At the same time, we remain committed to improving our systems, processes and how we engage, to improve the experience of industry participants in the VEU program. We recently engaged with current users of the VEU Registry through surveys and interviews to seek their feedback to inform the development of an improved VEU Registry.

Contact us

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Dan Keely

Executive Director, Victorian Energy Upgrades

Action required by VEU industry participants

Open a VEET scheme registry account to hold, transfer and surrender VEECs

From 1 November 2023, people who hold, transfer and surrender Victorian energy efficiency certificates (VEECs) must have a VEET scheme registry account. Accredited persons, relevant entities and other parties that held VEECs on 1 November 2023 have until 1 November 2024 to apply for a registry account, while others must apply now. Read more about what this means for you and how to apply on our website.

Assurance audits for accredited persons from August 2024

In August 2024, notices were sent to the first group of accredited persons in the assurance audit schedule. Accredited persons are now required to undergo an independent assurance audit at least once every two years to ensure they comply with regulatory standards. The audit program strengthens the program's delivery of cost-saving outcomes to consumers. Read more about assurance audits and access the audit schedule on <u>our website</u>.

Program changes

Changes to water heating, space heating and cooling and cold room activities from 1 August 2024

The Department of Energy, Environment and Climate Action released Victorian Energy Upgrades (VEU) Specifications - Version 17 which came into effect 1 August 2024. The Specifications changes included:

- increased incentives for space heating and cooling installations in non-residential and business premises (activity 6)
- expanded product eligibility for space heating and cooling products (activity 6)
- expanded eligibility for water heating upgrades to allow replacement of electric or gas boosted solar water heaters with non-functional components and are at least five years old (activities 1 and 3)
- amendments to cold room activities to revise incentives based on cold room size and to strengthen condition definition for freezer cold room upgrades (activity 43).

Read more about the changes and changes the commission implemented to reflect the above changes on our website.

Proposed new induction cooktop activity, and co-payments and warranties for electrification activities

The department is expected to publish its responses to consultations on proposed electrification copayments and warranties, and a proposed new induction cooktop activity in Q3 2024. Read more about the proposals on the department's website.

Refrigerated cabinets activity review

Following its Refrigerated Cabinet Review and response to consultation, the department has delayed the re-introduction of incentives for plug-in refrigerated cabinet activities until further notice. Read more on the <u>department's website</u>.

Compliance and enforcement update

As part of our compliance monitoring activity, we continue to see examples of poor installer communications with consumers, complaints about telemarketing and doorknocking, along with product issues and faults relating to hot water systems and space heating and cooling installations.

Accredited persons must have adequate systems, policies and procedures to ensure the compliance of anyone undertaking activities on their behalf, including installers. Read more about recent enforcement action on <u>our website</u>.

VEU compliance and enforcement priorities 2024-25

In June 2024, we shared our compliance and enforcement priorities for the VEU program in 2024–25. In 2024–25 we will continue to progress our inaugural priorities announced in March 2024, which focus on protecting consumers, upholding program integrity and providing consumers with a positive experience of the program. This includes three strategic priorities focused on heat pump water heater installations, baseline manipulation and telemarketing and doorknocking. Read more about our priorities on our website.

Heat pump hot water installations compliance - guidance and free training

We continue to work with Solar Victoria, the Victorian Building Authority (VBA), Energy Safe Victoria (ESV) and WorkSafe Victoria (WSV) to ensure heat pump hot water heater installations comply with

industry and safety standards across Victoria. Guidance materials and free upskill training are now available to accredited persons and scheme participants to support compliant heat pump hot water installations via the links below:

- VBA guidance common compliance issues and questions relating to heat pump water heater installations.
- VBA guidance compliant sealing of gas piping as part of the decommissioning process.
- Free upskill training through Solar Victoria installing heat pump hot water systems.

Telemarketing and doorknocking ban compliance

Since 1 May 2024, we have been proactively monitoring industry compliance with the 'cold-call' telemarketing ban and since 1 August, this has extended to the doorknocking ban. This includes contacting consumers who have received upgrades to ask whether telemarketing was used in relation to their upgrade, monitoring online marketing activity, and sharing data with other government entities and regulators to monitor and enforce compliance. Read more about industry obligations under the bans and access guidance materials on our website.

Program statistics

View the <u>VEU data dashboard</u> to access program performance data since the program commenced in 2009, including VEECs created and registered, top VEEC creators and activities, and more.

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