



# Victorian Energy Upgrades Forum

Jeff Cefai, Director  
Essential Services Commission

15 July 2021



# Victorian Energy Upgrades Forum – 15 July 2021

Welcome  
Kate Symons



# Victorian Energy Upgrades Forum – 15 July 2021

## Proposed Agenda

1. Welcome remarks
2. Overview of the year 2021
3. Questions
4. DELWP presentation
5. Questions
6. Sustainability Vic - Small Business Energy Bonus
7. Questions

# Victorian Energy Upgrades Forum – 17 December 2020

## How to: submit questions

1. RSVP

2. Chat Function

3. Old school – questions from the floor

# Introduction



# Financial year: 2020-21



Combined 2020/2021 Target: 13M certificates



Available certificates created by 30 June: 14.4m



Available certificates registered by 30 June: 13.0m

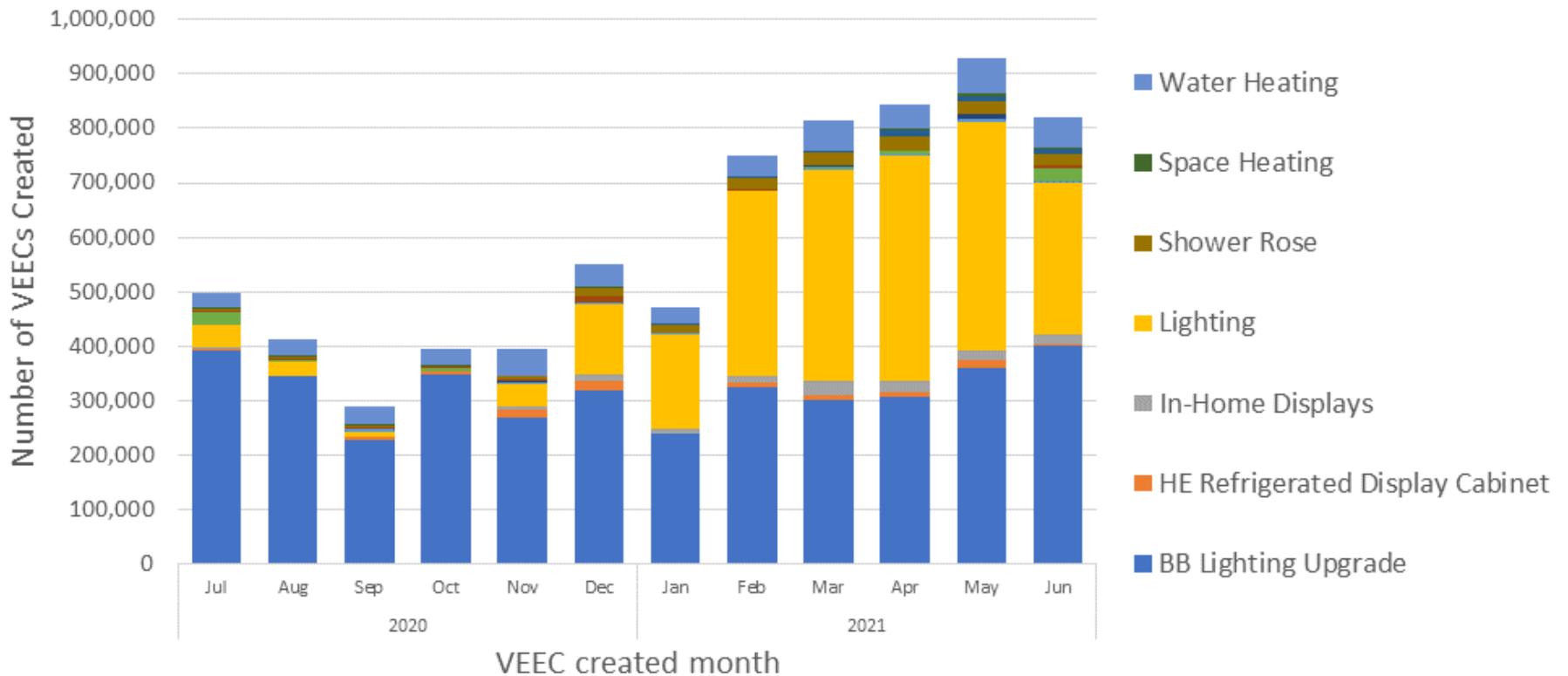


Products approved in 2021: 1115

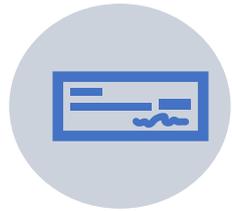


Approved installers in 2021: 1327

VEECs created by month and type of activity for 2020-2021



# Financial year 20/21



## 6.07M VEECs registered



**BB Lighting**  
3,286.5K



**Lighting (21)**  
1,784.5K



**Water heating**  
474.5K



**Refrigerated display cabinet**  
134.8K



**Refrigeration destruction**  
40.3K



**PB Activities**  
39.3K



**NBB Lighting upgrade**  
32.4K



**Space heating**  
23.9K



**Public lighting**  
24.5K



**Shower rose**  
109.8K



**In-home displays**  
100.8K



**Weather sealing**  
20.30K

# Financial year 20/21 audits and queries



**Field audits**  
69



**Desktop audits**  
366



**VEECS  
surrendered from  
investigations and  
enforcement  
actions**  
50.011



**Phone Audits**  
118



**Queries (total)**  
3920



**AP queries**  
1839



**Consumer  
queries**  
1626



**Complaints  
resolved**  
324

# Program to date



Total installations 5.3M



Residential 5.1M



Non-residential 200K



Total certificates created 73.6m



Total certificates registered 68.0m

# Registry

96% of batches approved within target timeframe for 2020-21 FY – target was 90%.

21C, 21E and 17 continue to be a focus for assessment.

Systems and processes in place to target ineligible baseline products installed under old 2008 regs.

Complaints increasing as a result of rise in activity 17 creations



# Streamlined accreditation process

Changes to process for additional activity applications have considerably sped up processing times for approval.

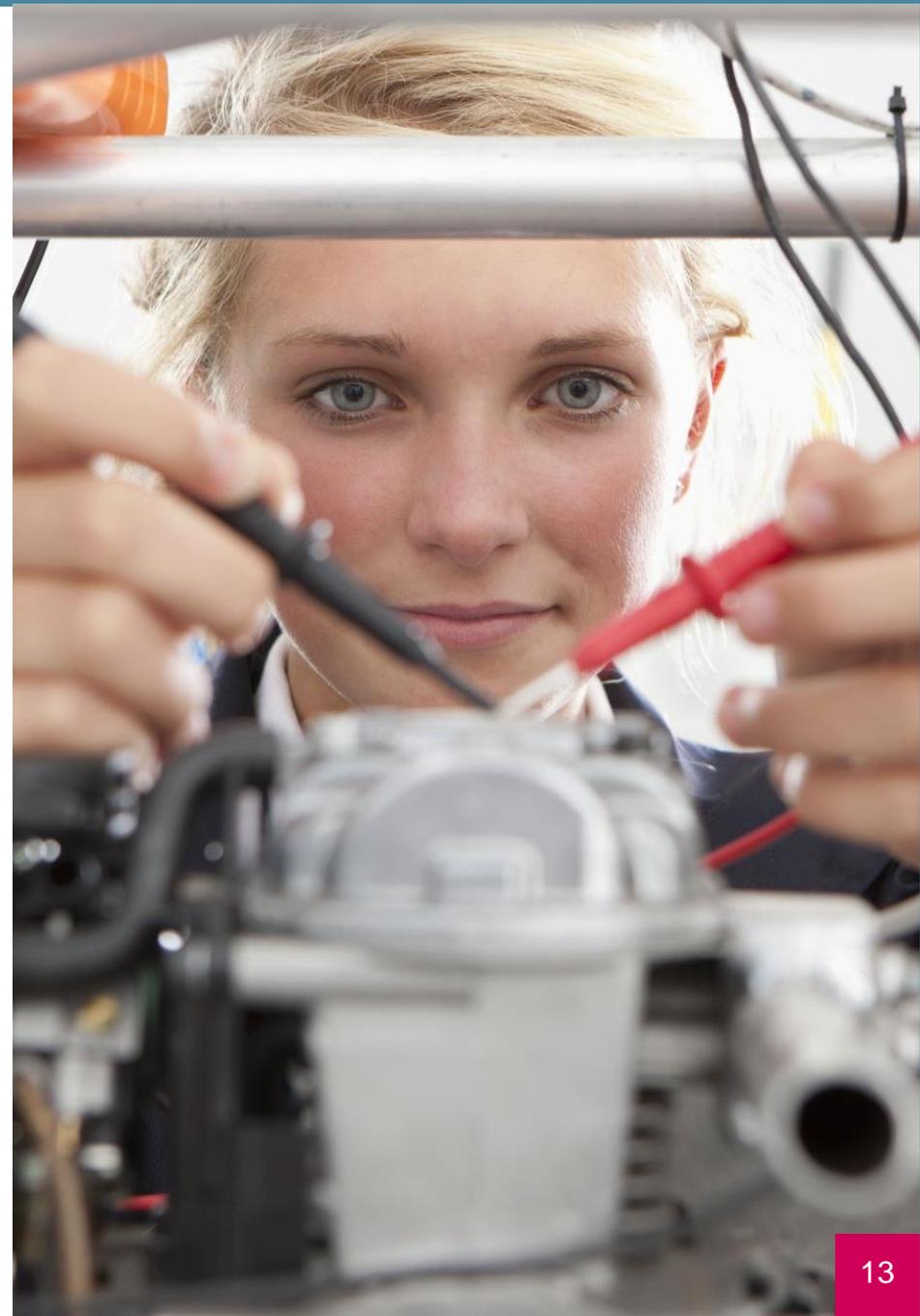
Audit & Compliance now meets with AP's after the additional activity application has been approved.

New activities (Cool rooms and commercial heat pumps specifically) will go through a specialised accreditation process which should result in improved processing times.



# Project based activities

- Number of impact reports approved in the last 6 months have more than doubled the total number of impact reports approved since the start of the PBA method in 2017
- Provisions for COVID affected projects released by DELWP
- Interest in solar projects continues to increase – now estimated to make up 20% of projected VEECs generated by PBA projects.



# Compliance

Investigation into Building Based Lighting Upgrades identified EcoCare Carbon Solutions and National Carbon Bank Of Australia breaching the VEET Act

1 Feb 2021 – Evidentiary requirements for carrying out Building Based Lighting were strengthened after stakeholder consultation

## Complaints



# Compliance

2020 Relevant Entity  
Compliance process  
underway – 28 energy  
retailers with a liability and  
we are reviewing Annual  
Energy Acquisition  
Statements and reports



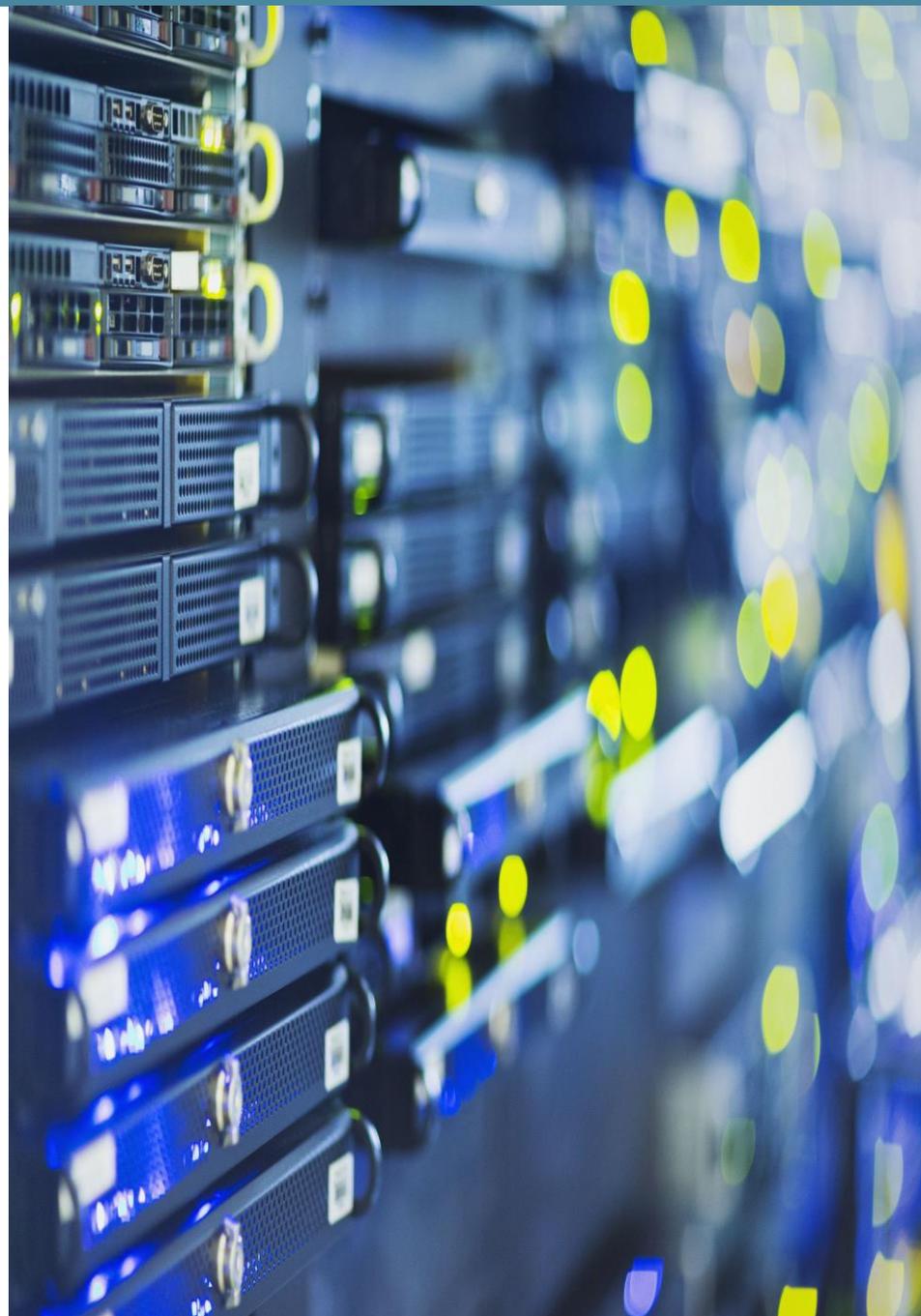
# Program updates

- Changes to Mandatory Safety Training courses
- Changes to refrigerated cabinets (plug in)
- Changes to Shower Rose evidentiary requirements
- Changes to activity 34 evidence requirements
- Electricity Emissions Factor
- Changed incentives for activity 21, 34



# Projects

- Consultation and changes to switchable wattage lighting
- VEET Act review
- New activities
  - Cold rooms
  - Commercial heat pumps
- I.T. System
  - 1,000 row limit



# Contact us

 <b>ESSENTIAL SERVICES COMMISSION</b>	<a href="http://www.esc.vic.gov.au"><u>www.esc.vic.gov.au</u></a>
	<a href="https://www.linkedin.com/company/essential-services-commission">/company/essential-services-commission</a>
	<a href="https://twitter.com/EssentialVic">@EssentialVic</a>

# Victorian Energy Upgrades

## DELWP – policy updates



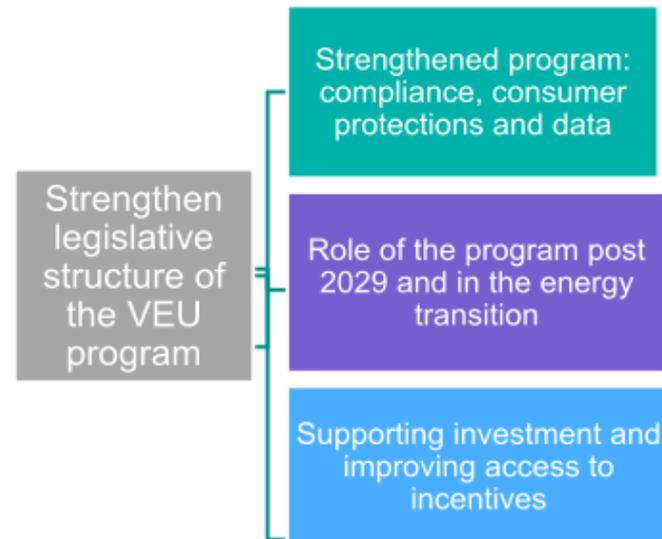
ESC Forum  
*15 July 2021*

Item	Topic	Speaker
1	Introduction	Jack Brown – Acting Director Energy Demand and Efficiency Policy
2	VEU review and emissions factor updates	Jack Brown – Acting Director Energy Demand and Efficiency Policy
3	VEU activity updates	Alex Atkinson – Senior Policy Officer Energy Efficiency Technologies
4	Large Energy Users (LEU) updates	Paul Lang – Manager Large Energy Users

## VEU review process

- DELWP have completed a range of research pieces, including a survey of more than 2,000 program participants
- Consultation papers to be released shortly to seek stakeholder feedback on how we can improve the VEU program.
- Consultation will inform recommendations on changes to the VEET Act, which could not happen before mid-2022.
- Keep up to date by subscribing to the DELWP VEU Mailing list ([energy.upgrades@delwp.vic.gov.au](mailto:energy.upgrades@delwp.vic.gov.au))

## Scope of the VEU review



## Emissions factors

- The VEU Specifications will be revised to include the 31 July 2021 emissions factor changes
- The Electricity Emissions Factor (EEF) will be separated from the calculations in the Specifications

Activity	Activity name	Baseline and Upgrade Fuel	% reduction in incentive
Part 15	Weather sealing	Based on stock of electric/gas space conditioning usage	6%
Part 17	Low flow shower roses	Based on stock of electric/gas water heating usage	10% (no change in VEECs)
Part 21	Incandescent lighting	Electricity only all parts	13%
Part 30	In-home display units	Electricity only	13% (no change in VEECs)
Part 34	Building based lighting upgrades	Electricity only	13%

# VEU activity updates

Alex Atkinson – Senior Policy Officer  
Energy Efficiency Technologies



## New activities updates

### Commercial and industrial heat pump water heaters

- Consultation closed 12 July
- NSW consultation open until 25 July 5:00pm

### Cold rooms (Regulations and Specifications)

- Regulations and Specifications expected to be released and implemented into the program in August 2021

### Building Energy Management Information Systems (EMIS)

- Building EMIS consultation in January 2022
- Overlaps with the Benchmark Rating method



## Revised activities updates

---

### Refrigerated display cabinets (Specifications)

- Activity being updated for Greenhouse and Energy Minimum Standards (GEMS) 2020 Refrigerated Cabinets Determination
- Consultation opening week beginning 19 July 2021

### Space heating and water heating

- Review of space heating activities
- Review of water heating activities – updated AS/NZS 4234  
- *Heated water systems - Calculation of energy consumption*



## M&V COVID-19 provisions

### M&V COVID-19 provisions have now been released

Provisions are to be applied to projects that are unable to use existing M&V methods due to COVID-19 or other states of emergency or disasters

Provisions allow projects which have been affected by a state of emergency or state of disaster to:

- extend the timeframe from which eligible baseline, operating, and reporting periods can be chosen
- use shorter measurement periods
- adjust energy models to account for changes in site constants

Version 5.0 of the M&V Specifications and a guide to help stakeholders understand and apply the provisions can be downloaded here:

<https://www.energy.vic.gov.au/energy-efficiency/victorian-energy-upgrades/specifications>

# Large Energy User (LEU) updates

Paul Lang – Manager

Large Energy Users



Environment,  
Land, Water  
and Planning

## Review of Victorian Energy Upgrades exemption arrangements

- Currently some sites are excluded from the program under an old EPA EREP arrangement
- Need for an updated and consistent exemption framework
- Proposal is that sites will be eligible to apply to opt out if they:
  - Use >100 TJ/yr gas *and/or* electricity
  - Undertake manufacturing, mining or agriculture
  - Demonstrate best practice energy management (ISO 50001 or equivalent)
- Consulted publicly in late 2019 / early 2020 on proposed new framework
  - Decision to undertake further consultation and analysis re: COVID-19

### Status update and timeline next steps

- Stakeholder Consultation planned Q3 2021 – things that we will consult include:
  - Changes to the eligibility requirements for exemption, including the potential implementation of energy management systems
  - Timeframes for transition and a staged approach to the implementation of any changes over 2022 and 2023, with the new framework expected to be fully in effect by January 2024
- Expect there will be an update to the VEU Regulations following public consultation on the proposed changes
- No new requirements and the current exemption framework remains in place until that update is made
- We will notify stakeholders when the public consultation documents are available and would greatly appreciate your feedback and input

### Supporting business looking to implement energy efficiency projects and energy management systems

The \$31 million **Business Recovery Energy Efficiency Fund (BREEF)** aims to provide grant funding to businesses for both capital works and energy demand management technologies

- \$24 million Capital Works Grant program
- \$7 million Energy Demand Management Grant program

November 2020 Budget announcement, applications closed 31 December 2020 and 31 January 2021

All applications have been assessed and successful applications have been notified

Public announcement of successful funding made on 25th June 2021 and details of the 110 projects were made available on the BREEF website on Friday 9th July 2021

Contact us at [energy.upgrades@delwp.vic.gov.au](mailto:energy.upgrades@delwp.vic.gov.au)

# Small Business Energy Saver Program

Nick Bague – Manager Business Solutions

July 2021



# Program Overview

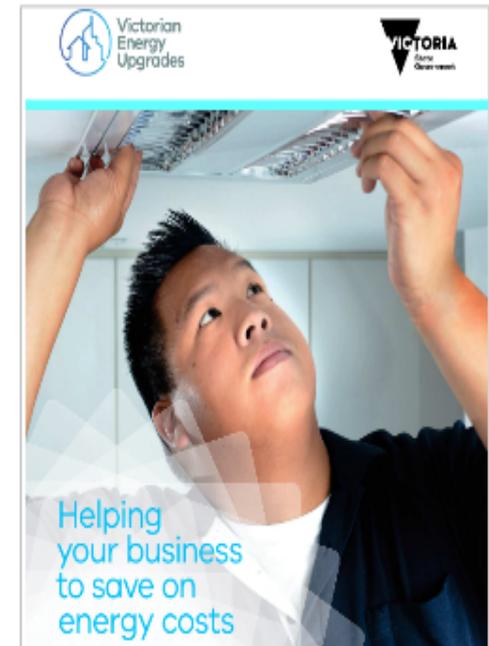
**Small Business Energy Saver Program (SBESP)** aims to:

- **Provide a stimulus measure for small businesses** impacted by COVID-19
- **Reduce small business energy costs** across Victoria
- **Encourage the uptake** of VEU activities in this sector
- Assist in reducing greenhouse gas emissions

Outline:

- Funding through DELWP, through Covid recovery Mission 6 – Economic Recovery
- **\$5m** for eligible upgrades
- Upgrades for up to 5,000 businesses
- **AP registration date cut off 31<sup>st</sup> August 2021**
- Program end date - **June 2022**
- **Eligibility - Small Businesses** in commercial premises with 1 – 19 FTE employees, excl. agricultural primary producers

This program will run in parallel with VEU.





## Program Overview - Small Business Energy Saver Program



- The \$5 million funding for small businesses will be delivered through Accredited Providers who will pass on the Program Bonus as additional savings to the VEEC discount for selected VEU activities
- Together with VEECs, the Bonus will provide a significant discount to encourage businesses to undertake selected VEU activities, potentially up to a 85% to 95% discount overall.
- The Program Bonus is currently capped at \$2,000 per business
- Higher bonuses will apply for VEU activities in regional Victoria
- APs will calculate the Bonus and will invoice businesses for eligible VEU activities, net of VEECs and the Bonus, and claim reimbursement in batches from SV

## Eligible upgrades

- Replace inefficient **electric hot water systems**
- Replace inefficient **gas hot water systems**
- Upgrade to efficient room **reverse cycle air-conditioners**
- Installing energy-efficient **refrigerator display cabinets**
- Install energy-efficient **fridges and freezers**
- Install energy-efficient refrigeration and **ventilation fans and motors**
- Install water efficient **pre-rinse spray valves**

**Note:** Lighting upgrades already have relatively high incentives available under the Victorian Energy Upgrades program





## HOSPITALITY (RESTAURANTS, PUBS AND CAFES)

### TOP PROGRAM ENERGY UPGRADES:

Heat pump HW5	\$2,000 - \$1,700 = <b>\$300</b> <small>Avg. install cost Price discount Net install cost</small>	<b>\$2,745 SAVING</b> <small>potential over 5 years</small>	Paid off in* <b>6</b> months	<b>18 tCO2e*</b> <small>(kg savings over 10 years)</small>	<b>6</b> CARS OFF THE ROAD
Room Air-conditioner	\$3,125 - \$2,425 = <b>\$700</b> <small>Avg. install cost Price discount Net install cost</small>	<b>\$1,250 SAVING</b> <small>potential over 5 years</small>	Paid off in* <b>2.8</b> years	<b>8 tCO2e*</b> <small>(kg savings over 10 years)</small>	<b>3</b> CARS OFF THE ROAD
Two Door Refrigerator	\$1,200 - \$1,020 = <b>\$180</b> <small>Avg. install cost Price discount Net install cost</small>	<b>\$85 SAVING</b> <small>potential over 5 years</small>	Paid off in* <b>9</b> years	<b>1 tCO2e*</b> <small>(kg savings over 10 years)</small>	<b>0</b> CARS OFF THE ROAD
Refrigerated Display Cabinet (1-2m <sup>2</sup> size)	\$4,945 - \$3,003 = <b>\$1,942</b> <small>Avg. install cost Price discount Net install cost</small>	<b>\$4,410 SAVING</b> <small>potential over 5 years</small>	Paid off in* <b>2.2</b> years	<b>29 tCO2e*</b> <small>(kg savings over 10 years)</small>	<b>10</b> CARS OFF THE ROAD
Refrigeration and ventilation fan motors	\$1,000 - \$850 = <b>\$150</b> <small>Avg. install cost Price discount Net install cost</small>	<b>\$2,500 SAVING</b> <small>potential over 5 years</small>	Paid off in* <b>3</b> months	<b>16 tCO2e*</b> <small>(kg savings over 10 years)</small>	<b>5</b> CARS OFF THE ROAD

**Disclaimer:** Annual energy savings estimations are based on modelled energy savings and assumed retail energy rates. A actual savings will vary based on actual usage and retail rates and are indicative only. The Price discount\* includes the VEECs discount and the program bonus. Where appliances are not decarbonised, savings figures are estimated based on the difference between a new appliance and Minimum Energy Performance Standards or market average data. The average installation prices are estimates only and may vary considerably depending on the equipment installed. Accredited Providers will be able to quote actual installation prices and overall price discount.

### TOP SAVINGS TIPS:

- 1 Install timers and turn off appliance when not in use.
- 2 Upgrade and maintain refrigeration equipment.
- 3 Cook in bulk, freeze food and use a microwave to reheat.
- 4 Use an induction cooktop instead of gas.
- 5 Turn off fridges for drinks and non-perishables overnight.
- 6 Consider Solar PV under the Solar Victoria, Solar for Business program: [www.solar.vic.gov.au/solar-small-business](http://www.solar.vic.gov.au/solar-small-business)

Learn more about how the Small Business Energy Saver program can help your business save money on energy bills.

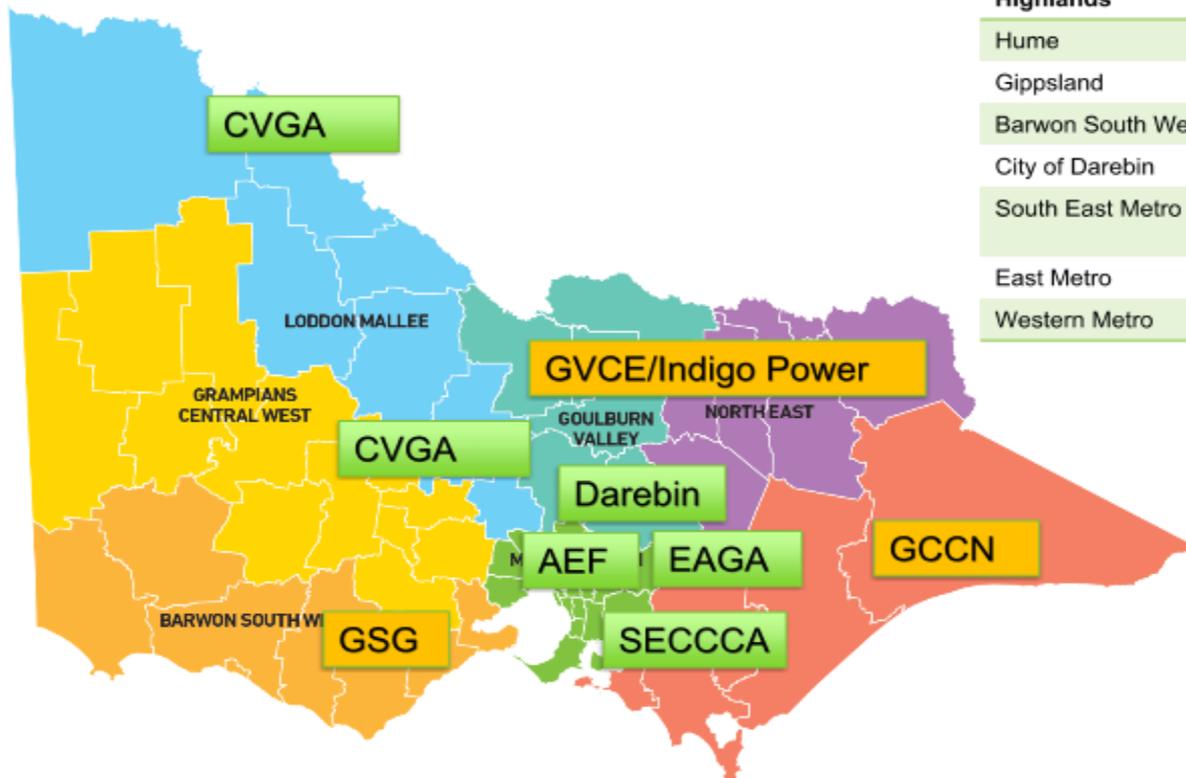
Visit: [sustainability.vic.gov.au/small-business-energy-saver](http://sustainability.vic.gov.au/small-business-energy-saver)



\* Time taken for energy savings to pay off the net installed cost

\* Tones of greenhouse gas emissions

# Intermediary Organisations



Loddon Mallee/Central Highlands	Central Victorian Greenhouse Alliance
Hume	GV Community Energy/Indigo Power
Gippsland	Gippsland Climate Change Network
Barwon South West	Geelong Sustainability Group
City of Darebin	City Of Darebin
South East Metro	South East Councils Climate Change Alliance
East Metro	Eastern Alliance for Greenhouse Action
Western Metro	Australian Energy Foundation

SV has recruited eight intermediary organisations to encourage small businesses to take advantage of the Program.

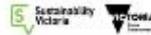
- Promote energy savings programs to eligible small businesses including bonus opportunities for eligible VEU activities
- Promote other energy savings programs including:
  - Solar Victoria – Solar for Business
  - Energy Compare website
  - SV energy investment tool
- Provide energy savings tips and suggested VEU upgrades to eligible businesses
- Report on outcomes of interaction with small businesses

## **Relationship with Accredited Providers (APs)**

- Provide contact details of registered APs/installers of VEU activities to eligible businesses
- Connect businesses with APs, subject client consent form being completed
- Will assist in promoting the Program to local installers and encourage them to participate in the Program

# Marketing examples

## Small Business Energy Saver Program



### ACCOMODATION

TOP PROGRAM ENERGY UPGRADES:

Heat pump \$2,000 - \$1,700 = \$300 \$2,745 SAVING 18 tCO2e	Solar hot water \$3,125 - \$2,425 = \$700 \$1,250 SAVING 8 tCO2e	LED lighting \$1,200 - \$1,020 = \$180 \$85 SAVING 1 tCO2e	Energy audit \$75 - \$75 = \$0 \$200 SAVING 1 tCO2e
--	---	---	--

**TOP SAVINGS TIPS:**

1. Install timers on HVAC systems.
2. Set the thermostat to 24°C in summer and 20°C in winter.
3. Upgrade to LED lighting.
4. Limit heat entry or heat loss: Look at draft proofing, insulating, shading, window tinting.
5. Review Tariffs and turn off appliances when not in use.
6. Consider Solar PV under the Solar Victoria Solar for Business program: [www.solar.vic.gov.au/solar-small-business](http://www.solar.vic.gov.au/solar-small-business)

Learn more about how the Small Business Energy Saver program can help your business save money on energy bills.

Visit [www.sustainability.vic.gov.au/small-business-energy-saver](http://www.sustainability.vic.gov.au/small-business-energy-saver)

## Information toolkit

To help you communicate with relevant stakeholders about the recently launched Small Business Energy Saver Program.

- Key information and messaging: to help you quickly and easily summarise the bonus offer.
- The call to action: where and when prospective applicants can find out more.
- Communication examples: content examples to inform your communications.

## Downloads

### Communications toolkit

[Download docx \(408.9 KB\)](#)



## Further information



### **For business:**

<http://www.sustainability.vic.gov.au/small-business-energy-saver>

### **For Accredited Providers**

<http://www.sustainability.vic.gov.au/energy-saver-accredited-providers>

### **Campaign promotional material**

<https://campaigns.sustainability.vic.gov.au/asset-library/small-business-energy-saver-program>

Thank you



@SustainVic



@SustainVic



Sustainability Victoria

