



VICTORIAN ENERGY EFFICIENCY TARGET SCHEME

Performance Report 2013

August 2014



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GLOSSARY

accredited person	Person accredited under the VEET Act. Once accredited, a person is eligible to create certificates in the VEET scheme in respect of prescribed activities.
AP	accredited person
certificate	Victorian energy efficiency certificate (VEEC) created under the VEET Act in respect of a prescribed activity.
Commission	Essential Services Commission, established under the <i>Essential Services Commission Act 2001</i> .
compliance year	Period over which each annual target must be achieved, which is a full calendar year.
DPI	Victorian Department of Primary Industries
DSDBI	Victorian Department of State Development, Business and Innovation (formerly DPI)
energy acquisition statement	Annual statement by a relevant entity about the amounts of electricity and gas acquired under scheme acquisitions during the year.
energy efficiency certificate shortfall	Number of certificates for which a relevant entity has failed to acquit its share of the scheme target.
energy efficiency shortfall penalty	Civil pecuniary penalty for which a relevant entity is liable in the event of an energy efficiency certificate shortfall.
ESI	<i>Energy Saver Incentive</i> – the VEET scheme as promoted to the public.
GJ	gigajoule
GHG	Carbon dioxide, methane, nitrous oxide, sulphur hexafluoride, hydrofluorocarbons, perfluorocarbons and any other gas prescribed to be a greenhouse gas.

greenhouse gas reduction rates	Rates, fixed annually by ministerial order, in respect of electricity and gas for a particular compliance year.
Guidelines	The scheme Guidelines made by the Commission under the VEET Act.
liability	The liability of relevant entities to surrender VEECs under the VEET Act.
MWh	megawatt hour
prescribed activity	An activity, prescribed under the VEET Act, which results in a reduction in greenhouse gas emissions that would not otherwise have occurred if the activity was not undertaken.
prescribed greenhouse gas scheme	Voluntary offset scheme or mandatory greenhouse gas scheme or any other arrangement which promotes the reduction of greenhouse emissions and is prescribed under the VEET Act.
RE	relevant entity
register of accredited persons	Public register, maintained by the Commission, which contains the names and certain other particulars of accredited persons.
register of energy efficiency certificates	Public register, maintained by the Commission, which contains information about energy efficiency certificates as required by the VEET Act and the Commission Guidelines.
register of products	Public registers, maintained by the Commission, containing particulars of certain allowable products that may be used for the purposes of prescribed activities.
Regulations	The scheme Regulations made under the VEET Act.
relevant entity	Entity which sells electricity or gas, or both, to at least 5000 Victorian customers, or makes a scheme acquisition of 30 000 MWh or more of electricity, or 350 000 GJ or more of gas in one compliance year.
scheme acquisition	Purchase by a relevant entity, for on-sale to Victorian customers, of electricity or gas, or both, within the provisions of the VEET Act.
VEEC	Victorian energy efficiency certificate created under the VEET Act in respect of a prescribed activity.
VEET Act	<i>Victorian Energy Efficiency Target Act 2007</i>
VEET scheme	Scheme established by the VEET Act.

VEET scheme target

Scheme target set by regulation for each of the three years comprising the second triennium (2012-2014) of the scheme.

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1 REPORT OVERVIEW

The Victorian Energy Efficiency Target (VEET) scheme performance report details the operation and administration of the *Victorian Energy Efficiency Target Act 2007* (the VEET Act) in 2013. The report also provides information about the level of compliance by scheme participants and summarises the assessment by the Essential Services Commission (the Commission) of accredited persons' certificate creation activities, relevant entities' annual acquisition statements, and other compliance matters for the 2013 reporting year. This report is published in accordance with section 7(3) of the Act requiring the Commission to report on the performance of the scheme to the Minister:

- after the end of each year, and
- at the end of any other period as requested by the Minister.

The VEET scheme is a Victorian Government initiative promoted to the community as the *Energy Saver Incentive* (ESI). It was established under the Act to commence on 1 January 2009. The purpose of the scheme is to promote reduction of greenhouse gas (GHG) emissions by encouraging efficient use of electricity and gas in the residential and commercial sectors. The scheme is also designed to foster investment, employment and technological progress in energy reduction industries.

The 2013 reporting year marked a continued expansion of the scheme. In 2012, the annual target had been increased to 5.4 million tonnes of GHG abatement for each year of the second three-year phase of the scheme. Reflecting this increased target, important legislative amendments were implemented to expand the scope of the scheme to include non-residential premises and to add new prescribed energy saving activities. These activities included commercial lighting upgrades, the installation of in-home displays (IHDs), high efficiency motor replacement, refrigerator display cabinet replacement and refrigerator fan motor replacement. During 2013 two further, water-based prescribed activities – low flow trigger nozzles and water efficient pre-rinse spray valves – were added. All these changes have resulted in an increase in scheme participation, in the number of prescribed activities undertaken and in Victorian energy efficiency certificates (VEECs) registered.

In 2013, the Commission continued to refine and consolidate its administrative processes and compliance oversight. In particular, the Commission devoted significant further investment to its information technology systems to improve user functionality and administrative efficiency, as well as to strengthen the Commission's risk assessment and data validation capability – thus providing greater quality assurance and augmenting the Commission's compliance regime.

The data contained in this report is based on the 2013 calendar year, with the exception of certificates 'created', which covers the 12-month period from 31 January 2013 to 30 January 2014.¹ The Commission adopted this time framework from the commencement of the second three-year phase of the scheme to allow for more accurate and transparent year-on-year comparisons.²

Key scheme performance indicators for 2013 include:

- all but one of the 19 relevant entities (REs) with liabilities under the Act met their certificate obligations -- as a result, one relatively small energy efficiency shortfall penalty was required
- 6,202,430 certificates were created in the 2013 calendar year (from 909,539 prescribed activities), of which 846,521 were subsequently withdrawn by accredited persons (APs)³
- 5,518,185 certificates were registered from 802,707 prescribed activities⁴
- standby power controllers accounted for 55.1 per cent of certificates registered (compared with 79.2 per cent in 2012), followed by lighting 18.7 per cent (6.9 per cent), weather sealing 10.2 per cent (2 per cent) and low-flow shower roses 6.5 per cent (2.1 per cent)
- 5,354,286 certificates were surrendered by REs to acquit their annual liability⁵

¹ Section 34(b) of the Act requires that a certificate cannot be surrendered unless 'the certificate was created before 31 January in the year following the year to which the energy acquisition statement relates.'

² In the first three-year phase of the scheme, the Commission reported on a 13-month reporting year.

³ As at 1 August 2014 (reviews of certificates created in 2013 are ongoing).

⁴ Created certificates refer to all certificates that have been submitted for registration by an accredited person to the Commission. This includes certificates which have not been registered by the Commission, certificates which have been withdrawn and certificates which have been refused by the Commission.

⁵ The number of VEECs required to be surrendered by liable entities for the compliance year was 5,354,286 – that is, less than the legislated target of 5.4 million. The number surrendered was less than the 2013 annual target because actual electricity and natural gas acquisitions were less than forecast. However, this deficit will be made up in surrenders for the final compliance year of the 2012-14 triennium in order to meet the three-year legislated target of 16.2 million certificates.

- 353 new VEET accounts were created (scheme total: 1,093)
- 31 new businesses received accreditation to participate in the scheme (scheme total: 152), and
- 4,164 new energy saving products were approved (scheme total: 5,778).

During the financial year, the Commission enhanced and strengthened technical and regulatory requirements for the new commercial lighting activity introduced the previous year, and expanded its program of independent testing of the safety and performance characteristics of selected 'emerging technology' lighting products – in particular, light emitting diode (LED) lamps. A product approval process was also introduced for another new activity, in home displays, that allow energy users to monitor the quantity and real-time cost of electricity consumption.

The Commission further expanded its compliance monitoring and enforcement efforts in response to the doubling of the scheme target during the previous reporting year. The following provides a summary of the specific actions undertaken by the Commission during the period:

- Seven formal investigations into AP activities were completed. During these investigations, staff assessed specific areas of non-compliance that resulted in each AP being required to voluntarily surrender or withdraw VEECs equivalent to the level of non-compliance identified by the Commission.
- Fourteen regular audits were completed. During these audits, staff conduct testing of registered claims and carry out phone audits and site visits. The audits occur at the business premises of the AP, where staff review business systems and interview key personnel. VEET staff review documentation and internal processes to substantiate certificate creation claims. The purpose of these audits is to assess the adequacy of APs' quality control processes and to identify potential non-compliance.
- More than 2,300 phone and field audits were conducted to test the validity of certificate creation claims resulting from prescribed activity installations.
- A total of 44 pre-accreditation or additional activity approval audits were conducted with APs.

The following briefly describes the contents of each chapter of the report.

Chapter 2 – VEET Scheme

This chapter provides an overview of the VEET scheme, including its legislative framework, the purpose of the scheme and role and functions of the Commission as the administrator of the scheme.

Chapter 3 – Scheme Operations

This chapter provides a summary of the operations of the scheme for 2013. Operational matters covered include the creation of accounts, accreditation of persons, and data related to the creation and registration of Victorian energy efficiency certificates.

Chapter 4 – Compliance

This chapter details the work undertaken by the Commission to ensure accredited person and relevant entity compliance with the requirements for participation in the scheme.

Chapter 5 – Other Matters

This chapter provides a summary of the other activities undertaken by the Commission with regard to the effective administration of the VEET scheme. These activities include significant further investment in IT systems to improve functionality and efficiency for scheme participants, additional administrative measures introduced in response to the expansion of the scheme, stakeholder consultation and the publication of guidance documentation.

Further information supporting this report can be found on the VEET website at www.veet.vic.gov.au.

2 VEET SCHEME

2.1 BACKGROUND

The Victorian Energy Efficiency Target (VEET) scheme is a Victorian Government initiative promoted to the public as the *Energy Saver Incentive* (ESI). It was established under the *Victorian Energy Efficiency Target Act 2007* (the Act) and commenced on 1 January 2009.

The purpose of the legislation is to promote reduction of greenhouse gas (GHG) emissions by encouraging efficient use of electricity and gas in the residential and commercial sectors. The scheme is also designed to foster investment, employment and technological progress in energy reduction industries.

The VEET is a 'white certificate' scheme. It leads to the creation of tradeable certificates, issued by an authorised body, which specify that a level of energy saving has been achieved. For VEET, this process is driven by placing a liability on large energy retailers in Victoria to surrender a specified number of Victorian energy efficiency certificates (VEECs) each year. Energy retailers with a liability under the scheme are known as *relevant entities* (REs). REs are able to create certificates directly, or purchase them in a competitive market. VEECs are created by businesses accredited by the Commission (known as *accredited persons* or APs) undertaking a range of prescribed energy saving activities. The revenue generated through the sale of VEECs enables APs to offer energy consumers benefits that may reduce the cost of undertaking these energy efficiency improvements.

Each certificate represents one deemed tonne of greenhouse gas abated. For the first three-year phase of the scheme (2009-2011), a target of 2.7 million certificates per annum was set. This increased to 5.4 million certificates per annum during the second three-year phase (2012-2014) as a result of the scheme's expansion from the residential sector into the business and other non-residential sector.

2.2 LEGISLATIVE FRAMEWORK

The VEET scheme is governed by the VEET Act, Regulations and Guidelines.

The Act

The Act came into operation on 1 January 2009 and is the primary legislation establishing the VEET scheme.

Section 4 of the Act sets out the VEET scheme's three main objectives:

- to reduce greenhouse gas emissions
- to encourage the efficient use of electricity and gas, and
- to encourage investment, employment and technology development in industries that supply goods and services which reduce the use of electricity and gas by consumers.

The Act confers administrative powers and responsibilities upon the Commission and sets the limits of the authority for the Regulations and Guidelines. It also provides for an energy efficiency shortfall penalty, which is the penalty that an RE must pay if it fails to surrender sufficient certificates to acquit its liability under the scheme in any given compliance year.

The Act also requires certain matters relating to the VEET scheme to be specified through an Order in Council published in the Government Gazette. For instance, in 2009 an order declaring a discount factor of zero for ceiling insulation activities was published.¹

In 2013, the Act was amended to expand the definition of 'relevant entity' beyond those energy retailers with at least 5000 electricity and/or gas customers to also include energy retailers with a scheme acquisition of at least 30,000 MWh of electricity or at least 350,000 GJ of gas in one compliance year. Other, minor amendments also tightened the Commission's enforcement powers under the Act.

The Regulations

The Act is supported by the *Victorian Energy Efficiency Target Regulations 2008* (the Regulations) and the *Victorian Energy Target Guidelines* (the Guidelines). The Regulations

¹ *Victorian Government Gazette* – S106 (20 April 2009) p1325; this order, made in response to the Australian Government's Home Insulation Program, effectively removed ceiling insulation activities from the VEET scheme and was due to expire on 31 December 2011 but subsequently extended to 30 June 2012 and then 31 October 2012. A notice of declaration was published on 26 April 2013 to extend this discount factor to 31 December 2014.

provide detailed information about criteria for the range of prescribed activities which are eligible to be undertaken under the VEET scheme, and the publication of product registers.

Following a major expansion during 2012 of prescribed activities included in the Regulations, in 2013 two new, water-based prescribed activities were added: low flow trigger nozzles (schedule 35) and water efficient pre-rinse spray valves (schedule 36).

The Guidelines

The Guidelines, issued by the Commission under section 74 of the Act, provide a framework for the administration of the scheme, including requirements relating to:

- the accreditation of scheme participants
- the manner in which prescribed activities may be undertaken
- occupational health and safety training requirements for installers
- the creation, form and transfer of energy efficiency certificates
- information to be contained in the registers of accredited persons and certificates that are maintained by the Commission
- records to be kept by accredited persons and relevant entities
- the Commission's auditing of certificate creation by accredited persons
- the form of, and information to be provided in, energy acquisition statements
- the auditing of energy acquisition statements by third parties engaged by relevant entities, and
- any other matters relevant to the administration of the VEET scheme.

2.3 ROLE AND FUNCTIONS OF THE COMMISSION

As mentioned above, the Commission is responsible for implementing and administering the VEET scheme. The remainder of this section outlines the Commission's responsibilities for both operational activities and compliance monitoring and enforcement, including to:

- accredit persons who may create energy efficiency certificates
- approve energy efficient products for which certificates may be created
- administer the creation, registration, transfer and surrender of certificates

- maintain electronic registers²
- enforce energy efficiency shortfall penalties, and
- assess compliance with the Act, Regulations and Guidelines.

Accreditation of persons

Individuals and companies must be accredited under the VEET scheme before they can create VEECs. Each accredited entity is allocated a unique registration number that is publicly available on the 'Register of accredited persons' on the VEET website. A once-only \$500 fee is levied to cover the administrative costs of assessing and accrediting an applicant.

The Commission also processes applications for account holders in the scheme. An account holder may trade (that is, buy and sell) VEECs but may not create certificates. All accredited persons must hold accounts. No fee is levied to become an account holder.

Approval of energy efficient products

Accredited persons are required to apply to the Commission for approval of certain product categories before installing the products, including those for standby power controllers, in-home displays, commercial lighting, low flow shower roses, insulation, window retrofit, lighting replacement products, chimney balloons, refrigerated display cabinets, refrigeration fans, low flow trigger nozzles, high efficiency spray valves and weather sealing. This approval process is intended to provide APs with assurance that products they intend to install meet scheme requirements. It also streamlines the process for registration of VEECs following installation of the products.

Accredited persons undertaking the installation of such products must submit an application using the online product application feature available on the VEET website. Applications must be accompanied by documentary evidence that a product meets the criteria set out in the Regulations. The Commission assesses applications and provides applicants with a written outcome. Once the product is approved for a certain AP, the AP may undertake the relevant prescribed activities.

For certain other categories of prescribed activities, products eligible to create VEECs are listed in a register of products available on the VEET website. The register is maintained for water heating products, space heating and cooling products, high efficiency refrigerators and freezers,

² The registers are maintained at www.veet.vic.gov.au

thermally efficient windows, pool pumps, high efficiency motors, high efficiency televisions and high efficiency clothes dryers. The Commission regularly updates the register to capture new eligible products and maintains archives of previous instances of the register.

Creation, registration, transfer and surrender of VEECs

As mentioned above, each VEEC represents one tonne of deemed GHG abated. Accredited persons are entitled to create VEECs for energy efficiency activities as specified in the Regulations and according to calculated abatement values.

VEECs are created in electronic form and become valid when the Commission registers them. The Commission assesses the validity of a VEEC creation before allowing the certificate to be registered. A \$1 fee is levied against each VEEC registered to cover the administrative costs of assessing, registering, transferring, surrendering and auditing certificates. This \$1 registration levy has not been increased since the scheme commenced in 2009. The Commission maintains a publicly accessible register on the VEET website that records the creation, transfer of ownership and surrender of VEECs.

Relevant entities are required to surrender VEECs to acquit their required energy efficiency liabilities for a compliance year. For each of the first three years of the scheme (2009-11), the Act set an annual GHG abatement target of 2.7 million tonnes of carbon dioxide equivalent. In subsequent three-year phases of the scheme – that is, from 1 January 2012 as mentioned above – the target is set by Regulation. For the 2012 compliance year, the VEET was set at 5.4 million tonnes of GHG abated.

Maintenance of electronic registers

As required by the Act and Regulations, the Commission maintains the following electronic registers associated with operating the VEET scheme:

- register of accredited persons
- register of Victorian energy efficiency certificates (VEECs), and
- register of certain energy efficient products.

These registers are publicly accessible on the VEET website.

Issuing shortfall statements

Relevant entities determine their annual GHG emissions liability – and therefore the number of VEECs they are required to surrender each year – by multiplying their electricity acquisition for the compliance year by the GHG reduction rate for electricity (RE) and by multiplying their gas

acquisition for the compliance year by the GHG reduction rate for gas (RG). For 2013, the RE and RG factors were fixed at 0.13974 and 0.00831, respectively.³

If a relevant entity fails to surrender sufficient VEECs to acquit its liability in a given year, the Commission may issue a shortfall statement imposing an energy efficiency shortfall penalty on the relevant entity. This civil penalty is determined by multiplying the relevant entity's energy efficiency certificate shortfall (in tonnes of GHG) for that year by the prescribed shortfall penalty. In accordance with section 28 of the Act, for 2013 the shortfall penalty rate was fixed by regulation at \$43.51 per tonne of GHG.

Monitoring compliance

The Commission is responsible for ensuring compliance with the scheme and maintaining scheme integrity. Main compliance activities involve ensuring that accredited persons create VEECs lawfully and that relevant entities surrender an appropriate number of VEECs to acquit their required energy efficiency liabilities. This involves overseeing and reviewing the submission of:

- VEEC creations, transfers and surrenders throughout the year by scheme participants, and
- energy acquisition statements submitted annually by relevant entities.

Annual energy acquisition statements are required to be audited in accordance with section 33 of the Act and the Guidelines before lodgement with the Commission. A third party auditor must be nominated by the relevant entity and approved by the Commission before conducting the audit. Approved auditors are required to enter a tripartite arrangement which specifies a duty of care to the Commission.

In addition to the functions detailed above, the Commission may also:

- undertake audits of scheme participants
- provide ongoing information to participants about their responsibilities and obligations under the scheme, and
- impose penalties for non-compliance with the provisions of the legislation.

³ VEET Act, s32; *Victorian Government Gazette* – G22 (30 May 2013) p1154.

3 SCHEME OPERATIONS

3.1 SUMMARY OF 2013 VEET REGISTRY OPERATIONS

This section outlines operational activities in the VEET registry for 2013. The section also reports on VEECs created up to 30 January 2014. VEECs created in January 2014 are included as part of this 2013 performance report as VEECs created in this month are eligible under section 34 of the Act for surrender against 2013 obligations. Registry activities include all certificate transactions by account holders and accredited persons participating in the scheme.

Table 1 below presents a summary of the operational activities undertaken by scheme participants during 2013 and the cumulative totals over the first five years of the scheme from 1 January 2009 to 31 December 2013.

Table 1: 2013 VEET operations activity summary

Activity	2013	Scheme totals (2009 – 2013)
Accounts created	353	1,093
Accredited person (AP) approvals	31	152
VEECs created by APs (2013 calendar year) ^a	6,202,430	23,539,939
VEECs registered by the Commission	5,518,185	21,280,198
Registration refused by the Commission	0	108,213

^a This reported number includes VEECs that were withdrawn and refused by the Commission. Previous annual reports have reported, in this table, VEECs created excluding VEECs withdrawn and refused by the Commission.

Source: Essential Services Commission

Under section 34 of the Act, relevant entities (REs) are able to surrender, against their annual liability, certificates that have been created before 31 January in the year following the relevant compliance year. In accordance with this requirement, the Commission has recorded the following certificate creation levels for the 12 months from 31 January 2013 to 30 January 2014. Table 2 provides this information.

Table 2: **2013 VEET operations activity summary (as at 1 August 2014)**

Activity	2013
VEECs created by APs (31 January 2013 to 30 January 2014)	5,704,169
Number of these VEECs subsequently withdrawn by APs	846,521

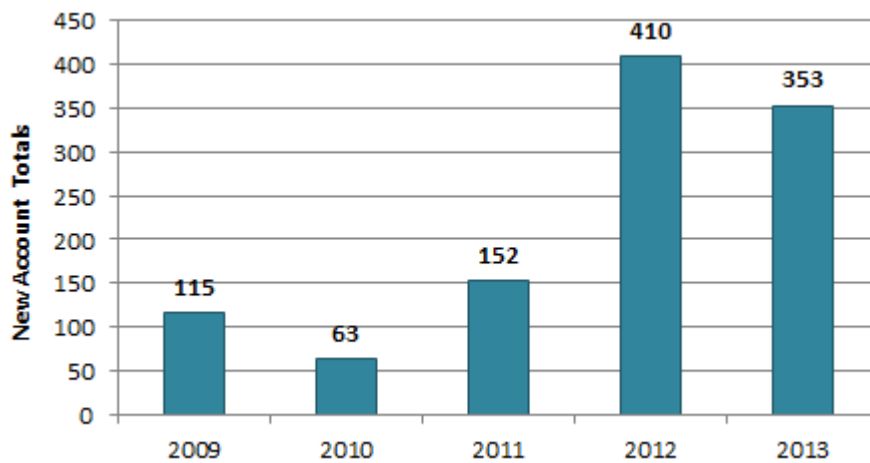
Source: ESC

3.2 CREATION OF ACCOUNTS

A total of 353 new accounts were opened in the VEET scheme during the period from 1 January 2013 to 31 December 2013. As noted in the previous chapter, an account is a prerequisite for businesses wishing to participate in the VEET scheme. Account holders are entitled to own, trade and surrender VEECs; however, they must become an accredited person in order to create VEECs. Opening an account in the VEET scheme does not incur an administration fee and there are no restrictions on eligibility. Figure 1 below shows the number of accounts opened each year over the five years of the scheme.

Source: ESC

Figure 1: **VEET accounts created – 1 January 2009 to 31 December 2013**



Source: Essential Services Commission

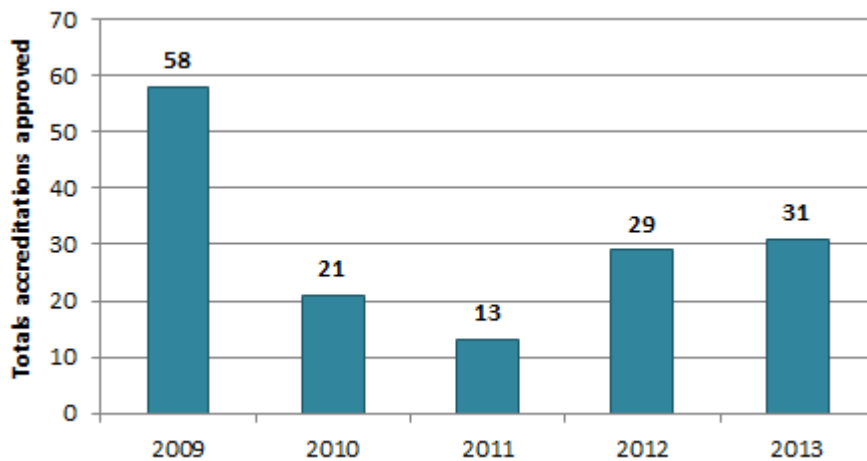
3.3 ACCREDITATION OF PERSONS

During the 2013 year, the Commission approved 31 applications to become an accredited person (AP) in the VEET scheme. The number of applications approved in this reporting period

is consistent with the number approved in the previous year, being 29 applications. To become an AP, an applicant must complete an application form and provide the Commission with supporting documentation about business processes and policies, record keeping and quality assurance systems, training and development processes and details of intended prescribed activities, among other information. After the Commission has undertaken a detailed assessment of the application and the applicant pays a \$500 administration fee, the Commission may approve or refuse the application. In any case, the Commission must make a decision within 20 business days of receiving a complete application.

Figure 2 below presents a summary of the yearly levels of accreditations by the Commission over the first five years of the scheme. The total number of approved APs as at 31 December 2013 was 152 persons, of which 149 still held valid accreditations (2 accreditations having been revoked, and 1 cancelled).

Figure 2: Accredited person approvals – 1 January 2009 to 31 December 2013



Source: Essential Services Commission

An online VEET accreditation application and approval functionality was introduced to the VEET website in June 2013. This new functionality helps to streamline the accreditation process, both for the applicant and for the Commission in completing its assessment. The Commission is committed to minimising ‘red tape’ wherever possible in its administration of the VEET scheme.

3.4 PRESCRIBED ACTIVITIES

APs must undertake prescribed activities in accordance with the Act, Regulations and Guidelines. The Commission is responsible for monitoring that APs meet the statutory requirements and that VEECs are eligible for creation for a prescribed activity.

During the 2013 year, the Regulations specified a total of 36 different energy efficiency activities for which VEECs may be created. Prescribed activities were undertaken in more than 568,000¹ households between 1 January 2013 and 31 December 2013. A number of these households had multiple activities undertaken by APs on behalf of the consumer. The most common activity undertaken by APs over the 2013 compliance year was the installation of standby power controllers (SPCs).

In March 2013, the then Department of Primary Industries (DPI) amended the Regulations to establish two new prescribed activities specifically designed for the non-residential sector (Activities 35 and 36). These amendments to the Regulations also:

- imposed new standards for solar hot water products that meant activities under schedules 1C, 1D, 2, 3 and 4 were no longer eligible after 18 April 2013, with these activities transitioning to new schedule references (1C to 1E, 1D to 1F, 2 to 2B, 3 to 3B, and 4 to 4F), and
- amended schedule 20 to allow for high efficiency ducted gas heaters to be installed 'in premises where no other central heating or cooling product is installed'.

The Commission also made adjustments to the abatement factors for advanced standby power controllers (activity 29) for activities undertaken from 7 October 2013 – to 0.55 of the previous abatement factor for advanced audio-visual standby power controllers (SPCs) and 0.62 of the previous abatement factor for advanced information technology SPCs.

During the 2013 year, approximately 5.7 per cent of all certificates – around 350,000 VEECs – were created in respect of prescribed activities undertaken in the business and non-residential sector.

¹ Based on certificate creation date of 1 January 2013 to 31 December 2013.

Table 3: **Prescribed activities – Installations and VEECs created and registered during 2013**

Activity type	Installations [#]	VEECs created	VEECs registered	Installations*	VEECs created	VEECs registered
Water heating activities			2013 reporting year 1 Jan 2013 – 31 Dec 2013		2009 - 2013 reporting years 1 Jan 2009 – 31 Dec 2013	
1A - Decommissioning electric and installing gas/LPG storage	770	31,100	30,615	3,520	139,383	137,495
1B - Decommissioning electric and installing gas/LPG instantaneous	3,237	138,540	133,030	11,532	488,069	476,989
1C - Decommissioning electric and installing electric boosted solar	633	26,149	27,474	19,160	811,698	810,758
1D - Decommissioning electric and installing gas/LPG boosted solar	225	13,647	15,136	6,502	392,821	387,437
1E - Water Heating - Electric Boosted Solar Replacing Electric	682	28,339	24,628	682	28,339	24,628
1F - Water Heating - Gas/LPG Boosted Replacing Electric	146	8,729	7,797	146	8,729	7,797
2 - Installing solar retrofit on electric	0	0	0	7	155	155
3 - Decommissioning gas/LPG and installing gas/LPG boosted solar	535	5,780	5,933	8,963	93,797	93,298
4 - Installing solar pre-heater on gas/LPG	0	0	0	3	21	21
Space heating & cooling activities			2013 reporting year 1 Jan 2013 – 31 Dec 2013		2009 - 2013 reporting years 1 Jan 2009 – 31 Dec 2013	
5 - Decommissioning ducted gas and installing high efficiency ducted gas	779	9,911	9,728	1,581	21,246	20,794
6 - Decommissioning central electric resistance and installing high efficiency ducted gas	375	109,822	109,379	1,726	495,502	476,180
7 - Decommissioning ducted air to air heat pump and installing high efficiency ducted air heat pump	1	6	6	1	6	6
8 - Decommissioning central electric resistance installing high efficiency ducted air heat pump	8	1,262	986	19	2,881	2,605
9 - Installing flued gas/LPG space heater	590	4,797	4,532	1,651	12,131	11,757
10 - Installing space air to air heat pump	0	0	0	2	7	7
20 – Installing a high efficiency ducted gas heater	128	745	733	242	1,453	1,429

Based on certificate creation date of 1 January 2013 to 31 December 2013

* Based on certificate creation date of 1 January 2009 to 31 December 2013

Activity type	Installations [#]	VEECs created	VEECs registered	Installations ⁺	VEECs created	VEECs registered
23 – Decommissioning refrigerative air conditioner and installing evaporative cooler	0	0	0	0	0	0
28 – Replacement of gas heating ducts	3	39	39	3	39	39
Space conditioning activities	2013 reporting year 1 Jan 2013 – 31 Dec 2013			2009 - 2013 reporting years 1 Jan 2009 – 31 Dec 2013		
11 - Installing insulation in ceiling area not previously insulated	0	0	0	1,168	56,918	56,918
12 - Installing insulation in floor area not previously insulated	0	0	0	1	17	17
13 - Replacement of external window	0	0	0	1	81	81
14 - Retrofit of external window	0	0	0	0	0	0
15 - Weather sealing	177,108	629,322	564,716	229,790	848,090	735,772
Lighting activities	2013 reporting year 1 Jan 2013 – 31 Dec 2013			2009 - 2013 reporting years 1 Jan 2009 – 31 Dec 2013		
16 – Installing low energy lamps	0	0	0	555,181	5,270,073	5,107,907
21A – Lighting – GLS lamps	120,389	1,065,296	843,132	242,844	2,109,733	1,694,274
21B – Installing low energy reflector lamp in place of an incandescent reflector lamp	0	0	0	0	0	0
21C – Installing a low energy lamp in place of an existing 12 volt halogen lamp	1,376	23,740	20,364	1,593	26,543	21,782
21D – Installing a low energy downlight fitting in place of an existing 12 volt halogen downlight fitting a	5,036	120,951	83,859	5,037	120,956	83,864
34 – Undertaking a lighting upgrade	638	143,849	85,348	681	152,652	90,565
Shower rose activities	2013 reporting year 1 Jan 2013 – 31 Dec 2013			2009 - 2013 reporting years 1 Jan 2009 – 31 Dec 2013		
17 - Shower rose	113,875	391,621	358,031	297,456	865,344	796,657
Refrigerator/freezer activities	2013 reporting year 1 Jan 2013 – 31 Dec 2013			2009 - 2013 reporting years 1 Jan 2009 – 31 Dec 2013		
18 / 22 - Purchase of refrigerator/freezer	19	31	31	31	44	44

Activity type	Installations [#]	VEECs created	VEECs registered	Installations [*]	VEECs created	VEECs registered
19 - Destruction of refrigerator or freezer	28,006	127,002	129,717	56,646	257,614	249,274
Standby power controller activities				2013 reporting year 1 Jan 2013 – 31 Dec 2013		
				2009 - 2013 reporting years 1 Jan 2009 – 31 Dec 2013		
29 – Installing a stand-by power controller	444,858	3,293,848	3,039,822	1,391,047	11,304,144	9,965,314
Other activities				2013 reporting year 1 Jan 2013 – 31 Dec 2013		
				2009 - 2013 reporting years 1 Jan 2009 – 31 Dec 2013		
24 – Purchase of high efficiency televisions	675	1,936	1,655	1,711	3,803	3,479
25 – Purchase of high efficiency clothes dryers	2	8	4	2	8	4
26 – Installing high efficiency pool pumps	355	2,865	3,051	567	4,547	4,412
30 – Installing an in-home display	9,053	20,178	17,847	9,053	20,178	17,847
31 – Installing a high efficiency motor	0	0	0	0	0	0
32 – Installing a high efficiency refrigerated display cabinet	1	35	0	1	35	0
33 – Replacing a refrigerator fan	36	2,882	592	36	2,882	592
New activities for 2013				2013 reporting year 1 Jan 2013 – 31 Dec 2013		
				2009 - 2013 reporting years 1 Jan 2009 – 31 Dec 2013		
35 – Low flow trigger nozzle ^a	0	0	0	0	0	0
36 – Water efficient pre-rinse spray valve ^a	0	0	0	0	0	0
Total	909,539	6,202,430	5,518,185	2,848,586	23,539,939	21,280,198

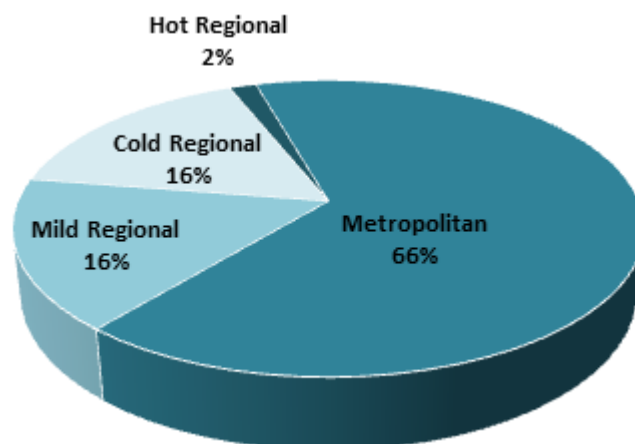
^a Activities 35 and 36 included in VEET Regulations from 1 March 2013.

NOTE: Created VEECs are assessed against criteria in the legislation before being validated and registered, which accounts for apparent discrepancies in the table between created and registered certificates. The status of all VEECs, including those pending validation, pending registration fee payment and withdrawn, are listed daily on the VEET website at www.veet.vic.gov.au.

Source: Essential Services Commission

During 2013, the majority (66 per cent) of prescribed activities were undertaken in the Melbourne metropolitan region (compared with 64% in the previous reporting year). Figure 3 below indicates the relative number of prescribed activities undertaken in the four Victorian climatic regions².

Figure 3: **Installations of prescribed activities by region (1 January 2013 to 31 December 2013)[#]**



Based on certificate creation date of 1 January 2013 to 31 December 2013

Source: Essential Services Commission

3.5 CREATION AND REGISTRATION OF VEECS

An AP creates VEECs after conducting a prescribed activity installation by submitting the VEEC creations to the Commission for assessment. The certificates will be registered only after the Commission is satisfied, following a risk based assessment, that the VEECs have been created in accordance with the Act, Regulations and Guidelines.

Where the Commission has established that VEECs have been improperly created, the AP may choose to withdraw the VEECs, otherwise the Commission may decide to refuse registration. In instances where the Commission or an AP can demonstrate that previously registered VEECs have been improperly created, a like number of registered VEECs may be voluntarily

² The VEET Regulations define and establish the four climatic regions in Victoria

surrendered to the Commission for the purpose of 'making good' against the improper creations³.

Table 4 below includes the unique status, as at 1 August 2014, of all VEECs created during the reporting period from 31 January 2013 to 30 January 2014. Only VEECs which are 'Registered' can later be voided (or 'retired') as a result of obligatory, voluntary or mandatory surrender.⁴ Once a VEEC has been 'retired', it is no longer eligible to be traded. Further, only VEECs that have been created and maintain a status of 'Pending Registration'⁵ may be withdrawn by the AP or refused registration by the Commission.

³ Amendments to the VEET Act effective from 1 January 2012 enable the Commission to order APs to surrender VEECs.

⁴ Obligatory surrenders involve certificates surrendered by REs acquitting their liabilities under the scheme, whereas mandatory surrenders (usually by APs) occur as a result of Commission enforcement action. Certificates may also be voluntarily surrendered under s.25 of the Act provided the owner advises the Commission in writing; voluntarily surrendered certificates cannot be included in an RE's energy acquisition statement.

⁵ The 'Pending Registration' status applies to all created VEECs that are either undergoing risk based assessment ('Pending Registration Validation') or where the AP has not yet paid the VEEC registration fee ('Pending Registration Payment').

Table 4: **VEEC creations (as at 1 August 2014)**

VEECs created	VEEC creations 1 Jan 2013 – 31 Dec 2013	VEEC creations 31 Jan 2013 – 30 Jan 2014	2009 – 2013 1 Jan 2009 – 30 Jan 2014
Total VEECs created	6,202,430	5,704,169	23,684,193

Current VEEC status (as at 1 August 2014) of created VEECs

In assessment	128,261	132,254	133,790
VEECs withdrawn by APs	919,846	846,521	1,548,611
VEECs withdrawn by Commission ^a	0	0	44,291
Registration refused	0	0	108,213
Registered	2,584,911	2,681,034	3,017,007
Retired due to obligatory surrender ^b	2,544,725	2,021,673	18,700,629
Retired due to voluntary surrender ^c	24,687	22,687	131,652

^a VEECs withdrawn by the Commission were the result of a processing error.

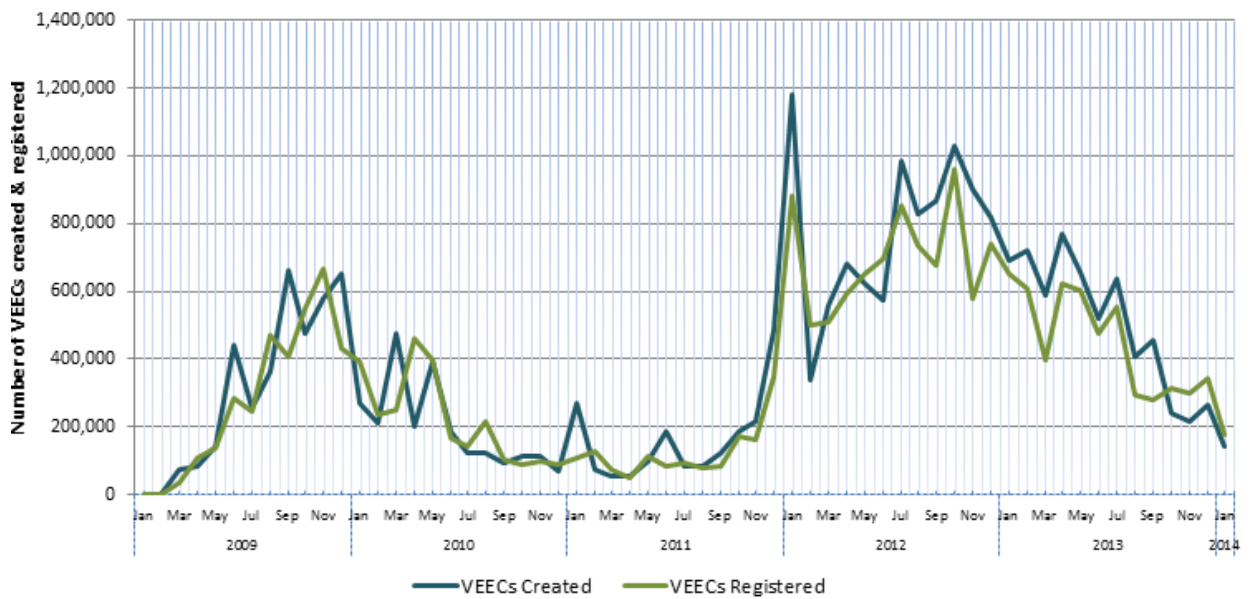
^b Pursuant to VEET Act, ss 33, 38, 39 or 40

^c Pursuant to VEET Act, s 25.

Source: ESC

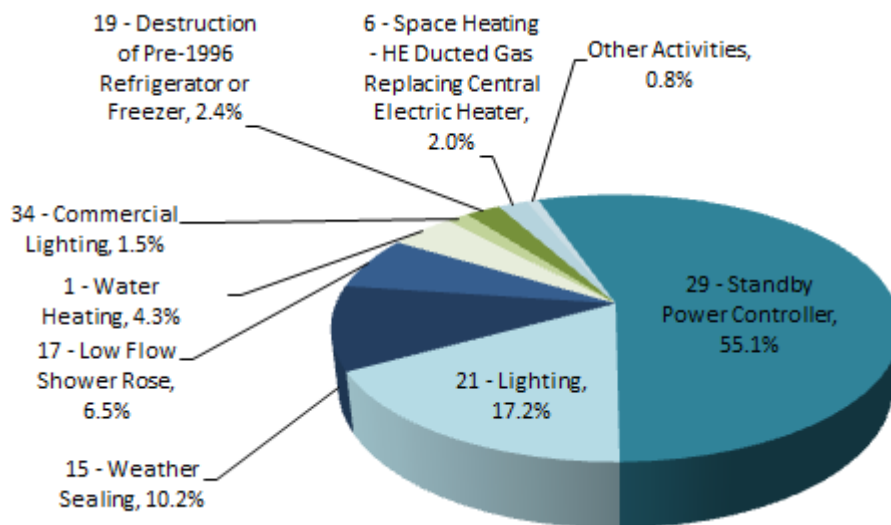
Figure 4 below shows monthly VEEC creations and registrations since the start of the scheme on 1 January 2009 until 30 January 2014. In the previous two reporting years, it has not been necessary either for VEECs to be withdrawn as a result of processing errors by the Commission, nor VEEC registration refused as a result of APs' accreditation being revoked. As seen in Figure 5, VEECs registered from standby power controllers accounted for more than 55 per cent of all registrations for the period from 1 January 2013 to 31 December 2013.

Figure 4: VEEC creations by month — January 2009 to January 2014



Source: Essential Services Commission

Figure 5: VEEC registrations by activity — 1 January 2013 to 31 December 2013 #



Based on certificate registration date of 1 January 2013 to 31 December 2013

Source: Essential Services Commission

4 SCHEME COMPLIANCE

4.1 COMPLIANCE OVERVIEW

In administering the VEET scheme, a primary responsibility of the Commission is to ensure that scheme participants – accredited persons (APs) and relevant entities (REs) – comply with the requirements of the VEET Act, Regulations and Guidelines.

The VEET Act provides the Commission with auditing and enforcement powers to ensure that APs properly create certificates and that REs surrender a sufficient quantity of certificates to acquit their liability for the reporting year. In particular:

- section 7(2)(d) of the Act empowers the Commission to undertake audits of the creation of certificates by APs, and
- section 33 of the Act requires REs to submit audited energy acquisition statements to the Commission. The Commission uses these statements, to determine whether REs have correctly calculated their VEET liabilities and surrendered the required number of VEECs for the reporting year.

Over the 2013 reporting period, the Commission continued its monitoring and enforcement efforts that were expanded in 2012 in response to the doubling of the scheme target. A number of existing accredited persons applied to undertake additional VEET activities, and there was a significant increase in issues of non-compliance and consumer complaints – particularly with respect to door-knocking and telemarketing practices of APs. The compliance work program was heavily focused on gaining assurance that VEECs were being properly created across high risk activities such as standby power controllers, weather sealing, and lighting.

The following sections detail the Commission's auditing, compliance and risk management regime and discuss the audit and investigations program completed over the 2013 reporting period.

4.2 CERTIFICATE CREATION BY ACCREDITED PERSONS

Since the scheme commenced, the Commission has established an auditing and risk management framework to ensure that certificates created by participants in the scheme comply with the requirements of the Act, Regulations and Guidelines. This framework (and the risk analytics and key indicators that inform it) is continually evolving and has been adapted as new activities are introduced into the scheme and in response to emerging trends in scheme participants, market behaviour and consumer feedback. The compliance framework consists of both pre-certificate registration risk analysis and data validation measures, post-registration auditing and formal investigations. The key components of the regime are summarised below.

Risk assessments

Before obtaining accreditation to participate in the scheme, every applicant is subjected to a preliminary assessment to determine the risk of improper certificate creation. This risk assessment is based on a number of factors, including the applicant's business model, quality of accreditation application information, prescribed activities nominated, forecast certificate creation levels, record keeping and VEEC creation processes and procedures. In addition, a pre-accreditation audit is conducted with the applicant. A risk rating of low, medium or high is applied to all accredited APs. This rating is regularly updated to reflect the compliance record of the AP and assists the Commission in informing its overall audit program.

'High risk' APs

The Commission maintains an internal register of APs assigned a 'high risk' rating. APs with a high risk rating are regularly monitored to identify potential instances of improper VEEC creation and ensure ongoing compliance with the legislative requirements of the scheme.

Monitoring activities include:

- review of duplicate installation results¹
- review of internal audits conducted by APs
- assessment of creation information submitted by APs and other creation information provided by installers and consumers, and
- investigation of consumer complaints

¹ Regulations 8 and 8A of the VEET Regulations stipulate that certificates cannot be created more than once for the same product (other than lamps or shower roses) installed in residential or business premises.

‘High risk’ activities

A particular focus of the Commission’s compliance monitoring and audit regime involves prescribed activities identified as being at a high risk of AP non-compliance. Activities deemed to be ‘high risk’ are subject to a greater level of monitoring and auditing by the Commission. APs are also required to meet minimum levels of internal auditing in order to create certificates for these activities. Factors that determine whether an activity is identified as having a high risk of non-compliance include: whether the product can be provided for minimal or no cost to the consumer; the number of VEECs generated as a result of the activity; and, the skills or qualifications required of an installer to carry out a particular prescribed activity.

Pre-accreditation and additional activity approval audits/meetings

The Commission conducts pre-accreditation audits with all businesses applying to participate in the VEET scheme. The Commission uses these audits to assess how an AP plans to participate in the scheme, to review and understand the AP’s business model and to establish a working relationship with the AP. This initial audit is an opportunity for the Commission to emphasise its compliance expectations and to reinforce its audit obligations under the scheme. The audit is also an opportunity for the Commission to reiterate the legislative requirement to maintain adequate installation and decommissioning records. A total of 31 pre-accreditation audits were completed in 2013.

The Commission also conducts meetings with existing APs that seek approval to undertake additional prescribed activities beyond those originally approved. This includes activities recently included in the scheme. During the 2013 reporting period, the Commission conducted 13 meetings in response to additional activity approvals.

Regular audits

The Commission has an established program of both random and targeted AP auditing activities. The objective of audits is to assess APs’ compliance with the Act, Regulations and Guidelines when creating VEECs by:

- reviewing prescribed activities for which APs have created certificates
- identifying processes used to undertake prescribed energy efficiency installations and assessing the effectiveness of controls in those processes
- assessing the process by which APs decommission and dispose of inefficient products as required, and
- identifying and assessing the effectiveness of APs’ processes and controls when creating VEECs for various prescribed activities.

When completing an audit, the Commission conducts: (1) phone and site audits of prescribed activities, (2) desktop audits of the AP's certificate creation history, and (3) review of an AP's substantiating documentation.

Factors that inform the regular audit work program include:

- the risk profile of the AP
- the risk profile of the prescribed activity
- analysis of AP VEEC upload and registry data and the AP's certificate creation history, and
- consumer feedback and complaints.

The Commission completed 14 regular audits of APs in 2013. The Commission also contacted 728 consumers directly regarding their installations and undertook 293 'authorised officer' inspections of installation claims under part 7 of the VEET Act.

Pre-registration audit and verification

The Commission continued to implement upgrades to the VEET IT system in order to increase the scope of pre-registration audit and verification activities. All VEEC creation claims submitted to the Commission are subject to:

- random consumer phone audits
- requests for additional documentation from APs verifying the activity (examples of documentation may include assignment forms, certificates of compliance and/or decommissioning evidence), and
- requests for internal field and phone audit results.

The level of internal audits that an AP may be required to submit to the Commission when creating certificates depends on the risk profile assigned to an AP and to the prescribed activity. For certain activities, the internal audit requirements vary between five per cent for APs with a low risk profile, to 10 per cent for medium risk and 25 per cent for high risk APs. Failure by an AP to complete additional audit related fields at creation upload will result in VEEC claims not progressing to assessment stage.

The enhanced assessment of claims at the creation upload stage has enabled the Commission to identify anomalies that have resulted in further investigation before certificates are registered. Data obtained at creation upload also informs ongoing audit and compliance activities.

Investigations

Where the Commission became aware, through its audit program or via its broader compliance framework, of potential non-compliance, more extensive and formalised investigations were undertaken in the 2013 reporting period.

The Commission undertook seven formal investigations in 2013. While these investigations were in progress, the Commission ceased assessment of the relevant AP's certificate claims. More than 2000 consumers were contacted by phone or visited at their residences during these investigations. As a result of the investigations, 26,655 VEECs were offered for voluntary surrender and 76,060 VEECs were withdrawn by the APs because of improper creation or other non-compliance with legislative requirements.

The Commission issued a mandatory surrender order on one AP, ENCERCC Pty Ltd, for 21,312 VEECs pursuant to section 40 of the VEET Act. ENCERCC's failure to acquit these VEECs resulted in the revocation of its accreditation pursuant to section 14A(1)(b) of the Act.

Separately, the Commission also made a determination to invoke section 19A of the Act on Energy Efficient Technologies Pty Ltd, requiring this AP to engage an independent auditor to determine the validity of pending VEEC claims created in 2013 for installations of standby power controllers.

Consumer complaints resolution

During 2013, the Commission investigated 324 compliance-related complaints, a significant increase on the previous year (223 compliance-related complaints). The Commission also investigated a number of complaints relating to AP conduct, such as APs misrepresenting the scheme (specifically, an AP claiming it was representing the government) and consumer dissatisfaction with AP door-knocking and telemarketing (particularly in relation to the installation of standby power controllers). In most instances, the Commission was able to facilitate a resolution between the consumer and the AP.

The Commission uses consumer complaint investigations as a tool to reinforce scheme compliance. For instance, the Commission dealt with an increase in complaints from consumers contacted by overseas call centres. The Commission took prompt action to identify APs using the services of overseas telemarketers inappropriately and issued warnings to APs in person and via correspondence that severe penalties could be enforced if the APs continued to misrepresent the government. In addition, the Commission developed explanatory notes publicly available on the VEET website to provide clarity to all participants regarding scheme requirements about telemarketing practices.

An increase in consumer complaints also resulted from the uptake by APs of weather sealing installations. The Commission undertook an extensive review regarding the quality of products being installed and APs' compliance with the VEET Regulations. This review resulted in the Commission issuing an information bulletin to all APs undertaking weather sealing activities that they allow a minimum of two weeks between installation and internal audit of an installation, and that they improve installer training to help ensure that all regulatory requirements were captured.

Table 5: **Summary of compliance work in 2013**

VEET compliance framework	Quantity	Activities
VEET audit	14	1B, 6, 15, 17, 21A, 29
Phone audit	2026	6, 15, 17, 21A, 29
Field audit	293	6, 15, 17, 21A, 29
Investigation	7	6,15,17,21, 29
Pre-accreditation audit/meeting	31	15, 17, 21, 29, 30, 32, 34
Additional activity approval audit/meeting	13	15, 17, 21, 29, 30, 32, 34
Consumer complaints received	324	Multiple

Source: Essential Services Commission

4.3 ANNUAL ENERGY ACQUISITION STATEMENTS BY RELEVANT ENTITIES

Victorian energy retailers with at least 5000 residential customers, or with scheme acquisitions of at least 30,000 MWh of electricity or at least 350,000 GJ of gas in one compliance year, are considered REs with a liability under the VEET Act. REs are required to submit audited annual acquisition statements detailing the amount of electricity and gas acquired during the reporting year. This statement is used by the Commission to verify whether an RE has accurately calculated its annual liability under the scheme. REs are required to submit the energy acquisition statement and surrender the required number of VEECs to the Commission by 30 April of each year.

From 1 January 2013, the VEET scheme was expanded to allow most non-residential energy consumers to participate in the VEET scheme. APs are now able to undertake prescribed activities at non-residential premises, unless the owners of those premises were required to participate in the Victorian Government's former Environment and Resource Efficiency Plan (EREP) program and were registered on the EREP register.

In June 2013, the Act was amended to revise the definition of entities with a VEET liability. The revised definition extended the application of the Act beyond the existing 5,000 customer threshold to include licensed energy retailers which make a scheme acquisition of at least 30,000 MWh of electricity or 350,000 GJ of gas. As a result, from 10 July 2013 an energy retailer with a small customer base but a large energy acquisition may now have a VEET liability. In addition, energy retailers identified with a VEET liability in 2013 were required to demonstrate that if they on-sold electricity or gas to customers at premises included on the EREP register, they could exclude these acquisitions from their scheme acquisitions for the 2013 compliance year.

For the 2013 reporting year:

- 19 Victorian energy retailers were identified as REs and had VEEC liabilities under the Act
- one RE failed to surrender an adequate number of certificates, causing the Commission to issue a shortfall penalty for 293 VEECs, and
- a total of 5,354,286 VEECs were surrendered for 2013.

Information the Commission must publish

Section 67 of the Act requires that the Commission publish certain information as follows:

Table 6: **Information required to be published for 2013 compliance year**

ITEM TO BE PUBLISHED	MEASURE
REs that had an energy efficiency shortfall	AGL Sales Pty Ltd
Amount of REs' energy efficiency certificate shortfalls	293
Total of energy efficiency certificate shortfalls	293
Number of certificates registered in 2013	5,518,185
Number of certificates surrendered for 2013 ²	5,354,286

² To acquit relevant entities' 2013 compliance year certificate liabilities.

5 OTHER MATTERS

5.1 EXPANSION OF VEET SCHEME

Following a significant expansion of the VEET scheme into the commercial sector during the 2012 reporting period, the Commission oversaw a further widening of scheme activities during 2013. As discussed in Chapter 2, amendments to the Regulations expanded the definition of 'relevant entity' and two further, water-based prescribed activities were added.

Reflecting the expanded scope of available prescribed activities in the scheme, the annual GHG abatement target was increased in the previous reporting year to 5.4 million tonnes per annum for each year of the 2012-14 triennium. Table 7 below provides an indication of the scale of the scheme across a number of key indicators.

Considerable work continued to be undertaken by the Commission to ensure that its administrative and compliance processes sufficiently accommodated the expanded scope of the scheme, the inclusion of the new prescribed activities and the increased volume of certificate creation.

Table 7: 2013 scheme data

Key scheme indicators	2012	2013	Percentage change
Accounts created	410	353	-14%
Accredited persons approved	29	31	7%
Average products approved per month	81	347	328%
Prescribed activities [#]	978,795	802,707	-18%
VEECs registered	8,301,779	5,518,185	-34%

[#] Based on certificate registration date of 1 January to 31 December 2013.

Source: Essential Services Commission

5.2 IT ENHANCEMENTS

The Commission continued to make significant investments to enhance the VEET website and online registry system. In addition to existing registry and account functions, the Commission's new internet based accreditation application and product approval systems reduce further the processing times for such applications. At the same time, efforts continued to align the administrative processes of the New South Wales (NSW), South Australia, Australian Capital Territory and Victorian energy efficiency schemes; for instance, the NSW energy efficiency scheme now makes extensive use of the VEET product registers.

The above changes have continued to result in significantly improved processing times for product approvals, ease of use and transparency, providing the Commission and account holders with excellent record keeping and reporting functionality. The dramatic increase in product approvals detailed in Table 7 above, provides some indication of the efficiency gains provided by the Commission's investment and its commitment to reducing 'red tape' in administering the scheme.

5.3 SUPPORTING DOCUMENTATION

Over the course of 2013, the Commission published and updated a wide range of documents advising stakeholders of the requirements and processes for participating in the scheme. All documents are publicly available on the VEET website.

Published documents include:

- revised explanatory notes about accreditation to participate in the scheme and creating VEECs from prescribed activities
- revised explanatory notes to guide stakeholders through the online product approval process and documentation requirements
- new explanatory notes to provide applicants with clear guidance on the accreditation process and the Commission's documentation requirements
- revised mandatory information that must be included in certificate assignment forms
- revised explanatory notes about creating VEECs using the online registry tool
- explanatory notes detailing the laboratory test and field trial requirements for standby power controllers, as well as revised abatement factors for standby power controllers

- further information about the expansion of the scheme and the introduction of business sector activities and relevant amendments to the Regulations
- revised explanatory notes about audit processes for APs and REs
- revised explanatory notes on undertaking commercial lighting upgrades
- revised explanatory notes about the product approval requirements for in-home displays, and
- revised explanatory notes about the installation requirements for in-home displays.

5.4 WORKING WITH SCHEME PARTICIPANTS

The Commission dedicates considerable effort to working with scheme participants to support their understanding of the legislation, scheme requirements and administrative processes. Apart from ongoing improvements to the VEET website and increasingly automated functionality, this is accomplished by prompt response to phone/email inquiries, numerous visits by stakeholders to the Commission and by Commission officers to stakeholders' premises, regular public information forums, and other consultations.

During the 2013 compliance year, the Commission held three public forums, all of which were well attended by VEET stakeholders. Presentations to public forums and various consultation documents are available on the VEET website.

In 2013, the Commission continued to educate new and existing participants about scheme opportunities and responsibilities, with a particular focus on potential opportunities presented by the expansion of the scheme into the business sector and the introduction of a number of new prescribed activities. The Commission also continued to educate APs and REs about their compliance responsibilities and obligations, particularly with respect to proper creation of VEECs, door-to-door sales and marketing.