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Greatest Energy Efficiency Opportunities Remain Untapped

The Energy Efficiency Council believes that the Council of Australian Governments' (COAG) draft National Strategy on Energy Efficiency makes important steps, but will leave Australia's greatest energy efficiency opportunities untapped.

"The largest and cheapest opportunities for energy efficiency are in industry and existing commercial buildings, but COAG seems to be ignoring these opportunities" said Peter Szental, President of the Energy Efficiency Council.

There are huge savings available in manufacturing and mining, with Australia's top 215 energy users spending over \$25 billion on energy per year, around 65 per cent of all business energy use. The draft strategy has no new major policies to mobilise the billions of dollars of savings in this sector.

Existing commercial buildings account for 98 per cent of office space each year, and are a gold mine of potential energy savings. The strategy will fail to unlock these savings. A report by the Australian Sustainable Built Environment Council found that tapping into the building sector's potential for energy efficiency could save \$38 billion a year by 2050.

"Standards for new buildings are important, but over the next two decades energy savings from existing buildings will dwarf savings from new buildings. We need serious funding to drive energy efficiency in existing commercial buildings. That's the elephant in the room" said Peter Szental.

Investing in energy efficiency is more than a double-dividend. Energy efficiency creates green jobs, improves Australia's economic competitiveness, cuts greenhouse pollution and saves money.

"Australia is currently one of the worst performers in energy efficiency in the Organisation for Economic Cooperation and Development (OECD). That puts our economy at tremendous risk. Energy prices are rising rapidly, and we have to help businesses adjust quickly" said Jonathan Jutsen from Energetics.

Major programs to upgrade energy efficiency make economic and environmental sense. The International Energy Agency, Centre for International Economics and McKinsey all agree that energy efficiency is not only cheapest form of abatement, it can actually save you money. Even better, we can do it today.

The Energy Efficiency Council strongly endorses Federal Labor's commitment to put Australia 'at the forefront of OECD energy efficiency improvement'. To achieve this goal, governments will need to work with the industry to develop a far more ambitious National Strategy for Energy Efficiency that includes:

- Incentives to drive energy efficiency in industry
- Programs to retrofit commercial buildings
- A fund to drive energy efficiency and save billions of dollars that would otherwise be spent expanding the electricity grid

Experience from the US shows that working closely with industry leads to policies that are more popular, more effective and more efficient.

The Energy Efficiency Council is the peak body for energy efficiency services. The Council includes companies that deliver commercial and industrial energy management services. The Energy Efficiency Council was formed in 2009, incorporating the members of the Australasian Energy Performance Contracting Alliance.

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