

National Energy Efficiency Conference

Outlook and update on Energy Saving Schemes in Australia

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Enlightening environmental markets

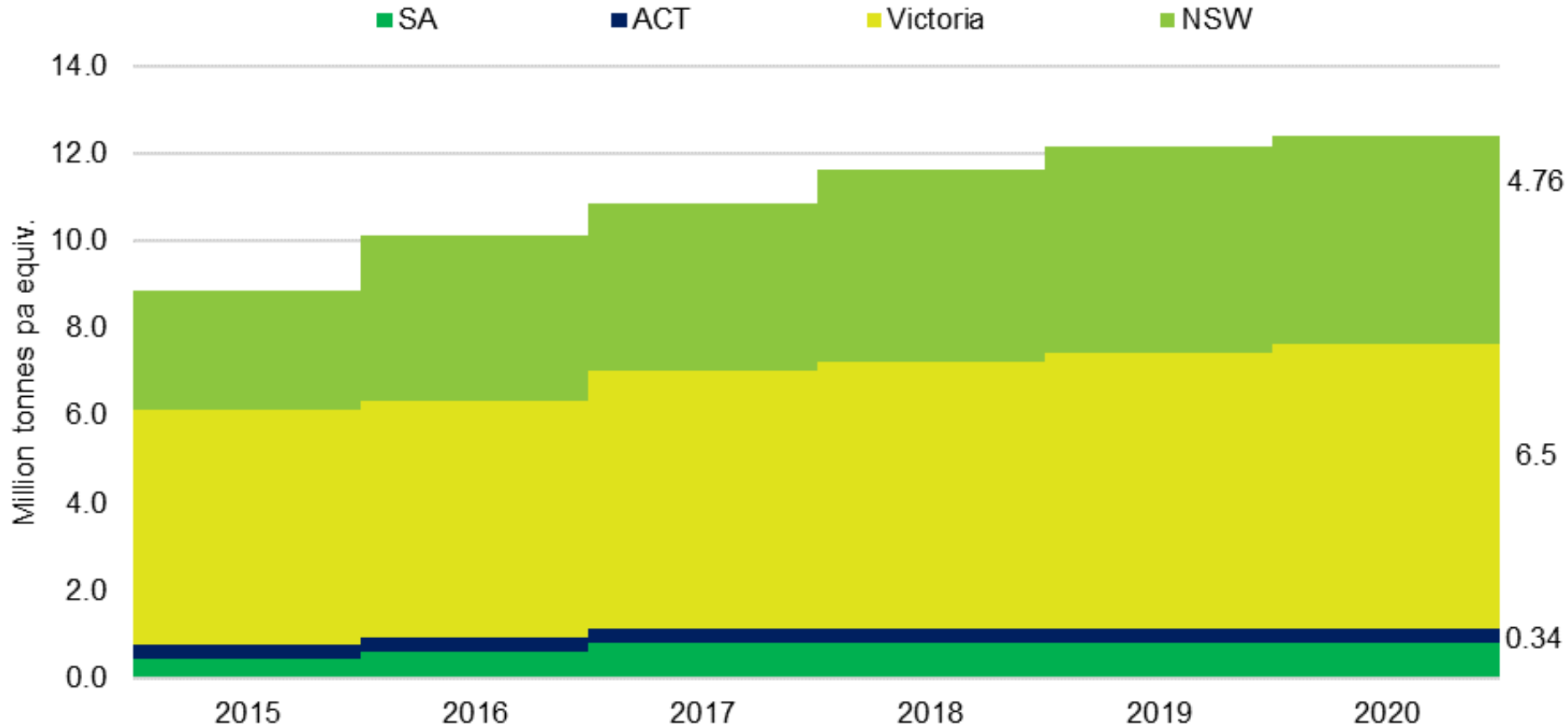


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Key points

- 4 state energy savings schemes are the biggest game in town and successfully driving investment and energy savings
- Several key differences in the schemes that impact on activities
- 2019 is shaping as critical important time for schemes
- Is a national scheme fanciful?
- Energy savings and renewables?

Market of more than \$220m pa



Reduced electricity consumption by >4%



Activities supported by schemes

'000 Certificates	VIC			NSW		
	2017	2018 YTD	Share	2017	2018 YTD	Share
Residential Lighting	521	434	7.2%	4	43	0.6%
Commercial Lighting	6,910	4,564	86.2%	3,405	2,564	72.6%
Efficient Appliances	139	89	1.7%	366	254	7.5%
Hot Water / Heating	382	279	5.0%	0	0	0.0%
Project based	0	0	0.0%	840	746	19.3%
	7,952	5,366	100.0%	4,615	3,607	100.0%

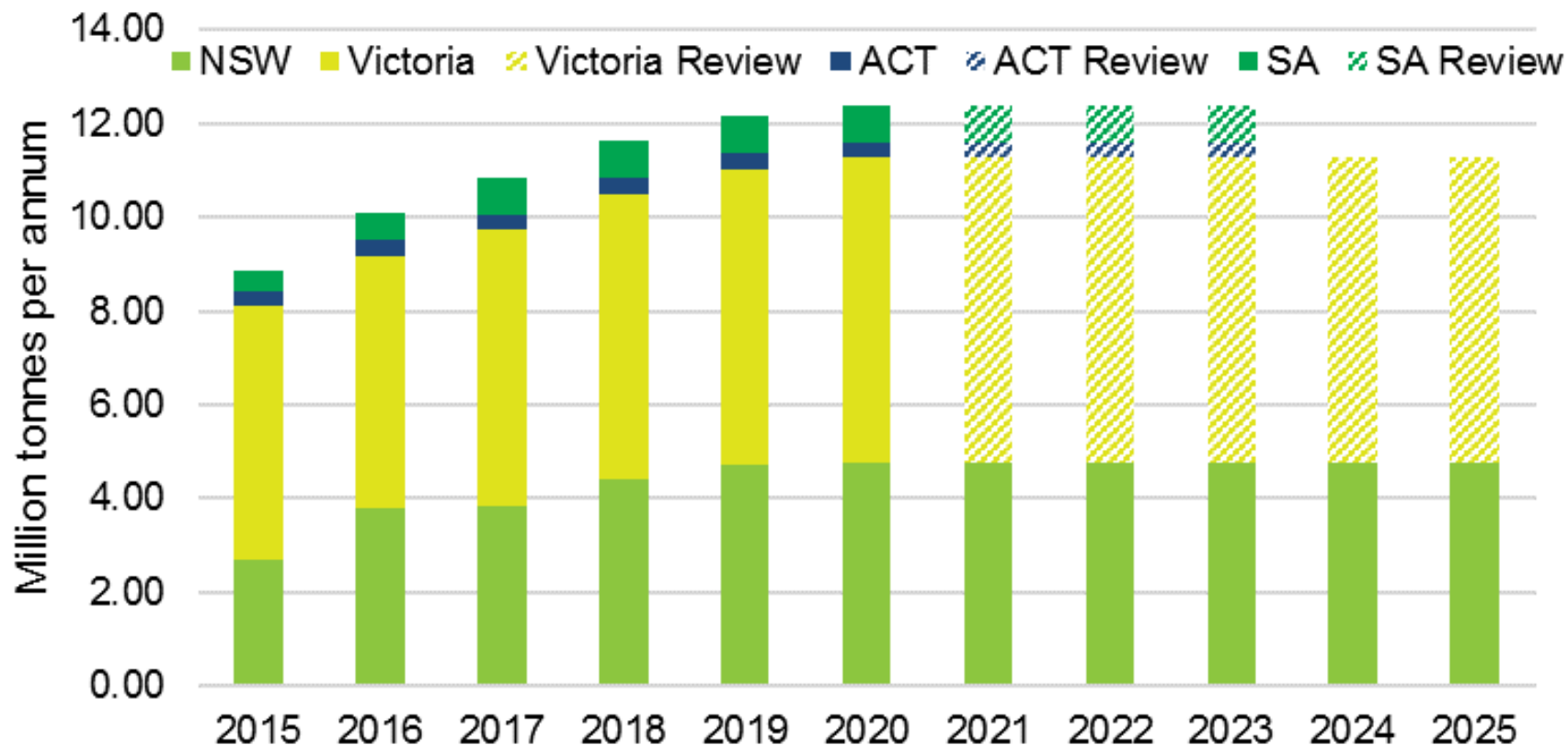
- Massive transformation occurred in lighting sector
- Business activities have dominated NSW and Vic schemes
- ACT and SA have had more residential activities

Key differences in schemes

Feature	Vic	NSW	SA	ACT
Certificate based	Yes - \$18.40/VEEC	Yes - \$19.75/ESC	No	No
Priority Households	No	No	Yes - 20% Energy Audits	Yes - 20%
Co-Payment	No	Yes \$5/MWh for CL HEERs \$30	No	No
Large energy users	Excluded can opt in	Yes - included EITEs exempt	Excluded GJ cap on upgrade	Excluded
Target setting frequency	5 yearly	Set to 2025	3 yearly	3 yearly
Target Metric	GHG Emissions	GHG Emissions	GJ Energy savings	Notional GHG
Compliance approach	ESC audits	External audit and creation cap	Liabe parties	Liabe parties
Project based methodologies	Yes – emerging	Yes - established	No	No
Commercial lighting discount	Discounted	Discounted	Discounted	Discounted

Key issues – 2019 Scheme Reviews

Targets to be set for next phase of schemes



- Target to be denominated in energy terms (like SA)
- Target set at 10% of electricity and gas consumption by 2030
- Priority household target of 20% (like SA/ACT)
- Include all energy users (like NSW)
- Refinement of methodologies to better reflect energy savings (incl re-instate insulation)
- Complimentary measures (disclosure/Std)

A national scheme?

- Had CoAG agreement back in 2013 (NESI)
- Currently have ERF and Safeguard Mechanism
- Have been more than 40 Energy saving projects registered for ACCUs/ERF
- ALP position unclear – concerns with NEP

“The National Energy Productivity Plan that the Government put in place a few years ago has inadequate targets. A 40 per cent improvement by 2030 off 2015 levels would see us slip further behind” – Mark Butler – CRC Low Carbon Living Forum 19 Nov 2018
- Greens position is for a national energy savings scheme

Thank you

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