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7 February 2020

**Re: Victorian Energy Upgrades Lighting Activities Issues Paper**

Dear Emma,

Thank you for the opportunity to provide comment on the Victorian Energy Upgrades (VEU) Lighting Activities Issues Paper. The Energy Efficiency Council (EEC) is the peak national body for energy management, and has engaged extensively with the Victorian Government on the VEU over the last ten years.

The EEC strongly supports the VEU, which has delivered major benefits to consumers over the years. The VEU has helped transform lighting and the lighting industry in Victoria. In households, the proportion of energy going to lighting has declined dramatically and is predicted to be less than 3 per cent household energy use by 2030.

While the VEU has helped to make LED lighting standard practice for new facilities, it is still critical to drive retrofits in existing buildings. For example, the Issues Paper does not provide substantive evidence that retrofits of T5s and highbay lighting with LEDs are business as usual (BAU). In addition, the VEU significantly increases the likelihood that any luminaries that are replaced are disposed of appropriately, minimizing mercury pollution.

Accordingly, while the EEC supports the general principle proposed in the Lighting Activities Issues Paper that while the incentives for some kinds of lighting activity should be reduced, the EEC strongly opposes both Option 1 and Option 2 in the Issues Paper. The rate of reduction in certificates generated by lighting activities these options is far too rapid, as:

- There are still a significant number of sectors where lighting upgrades are still extremely uncommon;
- The methodologies for a range of activities, such as insulation, still don't support their uptake in a way that would be required to support a rapid transition away from lighting; and
- Even if alternative activities were available and on the road to maturation, the proposed rate of transition is so rapid that it will cause unnecessary disruption and job losses.

Accordingly, the EEC strongly recommends a third option which includes:

- A longer transition period for reducing the number of certificates generated by some lighting activities, with annual reductions over the period 2021-2025;
- Retention of incentives for lighting retrofit activities that remain additional;
- Improvements in the methodologies and rules surrounding a range of current and considered VEU activities, including project based activities and insulation; and
- Allocate at least \$200,000 to a research paper on the future of energy efficiency schemes beyond lighting, including identifying technologies that are ripe for market transformation and using multipliers or complementary policies. Ideally this funding should be complemented by funding from other jurisdictions to produce a major national report that can help guide the development of energy efficiency schemes around the country to 2030 and beyond, but it should proceed regardless of other jurisdictions' contributions. The report should be delivered by a consortium of national and international experts with subject knowledge, supported by government staff from each state and territory with an energy efficiency scheme.

The EEC looks forward to continuing to work with DELWP on the VEU.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Rob Murray-Leach', with a stylized flourish at the end.

Rob Murray-Leach  
Head of Policy  
Energy Efficiency Council