

Energy Efficiency and Productivity Summit 2015 – Summary Note



More than 280 people attended the Victorian Government’s Energy Efficiency and Productivity Summit held in August 2015, bringing forward new ideas and discussion for energy efficiency action in Victoria. The discussions and outcomes from the Summit are outlined here.

Designed specifically to elicit new thinking and policy alternatives, Summit participants identified and discussed a range of topics in small groups, and others later presented their short pitch on policy to an audience of interested stakeholders and government representatives.

These conversations have been valuable considerations in developing the Victorian Government’s Energy Efficiency and Productivity Strategy. While it is not possible for all ideas and discussions from the Summit to be captured in the Strategy, we will continue to provide opportunities for stakeholders and interested people to provide input into ways we can improve Victoria’s energy efficiency and productivity.

The Summit followed six workshops where the Victorian Government heard from more than 120 individuals, representing business and household energy consumers; the energy efficiency sector; the building and property sector; environmental organisations; unions; local government; and the energy supply industry. Participants considered the government’s Energy Efficiency and Productivity Statement: *Saving energy, growing jobs*. It presented six priorities for action: Victorian energy efficiency jobs, buildings, businesses, vulnerable energy consumers, energy markets, and Government leadership.

Discussion themes and ideas

Summit participants identified 30 questions, ideas or themes for discussion in small groups (Appendix 1).

The following provides a broad account of Summit discussions, outlining the ideas and views put forward by participants.

1. The role of government and working with partners

Government’s role in delivering programs, legislating standards, and funding outcomes in the energy efficiency space formed a major theme across many discussions.

In program delivery, Summit attendees recommended government form partnerships with existing third-party energy initiatives that may have already established models, awareness and engagement channels – with a view that bolstering successful programs would be the best investment for positive energy efficiency outcomes.

An integrated, bottom-up, community-led approach was largely supported. Such an approach could focus on raising awareness capability building, knowledge sharing, and collaboration on expertise and best practice. Community group alliances and pilot programs could support scale-up of existing programs. Participations highlighted a role for local government as a partner in delivery of energy efficiency and productivity programs. Other valuable partnerships include non-government agencies and alliances of community organisations and local government. Additionally, industry



The Hon. Lily D'Ambrosio, Minister for Energy & Resources and
Mr Keith Canfield, Clinton Climate Initiative

associations were also identified as having significant potential to effectively support desired energy efficiency and productivity outcomes.

Improvements and national alignment of standards and accreditation were key recommendations. Much of this discussion centred around options to reduce bills and support increased residential energy efficiency, particularly for vulnerable households. This is detailed in Theme 3.

Government was also seen to have a role in funding and finance. Attendees commented on the transient nature of government funding, and options for

offering community and business finance and education to support uptake of more expensive energy efficiency interventions. Discussions on this topic are detailed in Theme 5.

2. Lifting businesses' energy efficiency and productivity

Several groups discussed energy efficiency and productivity opportunities for the industrial and commercial sectors. Across both sectors, Summit attendees supported improved collaboration along the supply chain across commercial and industrial sectors – potentially through industry associations, and integrated management of materials and energy inputs (including transportation).

Opportunities put forward included providing clear – and not overly-technical – information on energy efficiency, as well as business assistance to renew ageing infrastructure, potentially supported through the Sustainable Melbourne Fund, Clean Energy Finance Corporation or a Victorian equivalent.

Summit attendees agreed that Small and Medium-Sized Enterprises (SMEs) often experience energy efficiency and productivity inertia. To overcome this, attendees suggested Government support for capability building, incentives targeting different people within an organisation (e.g. operators, engineers) and providing financial support for SMEs.

For the manufacturing sector, Summit attendees suggested initiatives to support targeting energy efficient chillers and steam traps, application of Environmental Upgrade Agreements (EUAs) or the reintroduction of the Energy Efficiency Opportunities (EEOs) scheme.

Discussions around gas energy efficiency included upgrades to smart gas meters; precinct-scale gas solutions and co-location of industries with heat/steam processes; as well as the use of boilers and furnaces, heat pumps and heat recovery, solar thermal and biomass energy.

Other ideas such as passive systems (daylight and ventilation), NABERS and higher incentives under VEET, were also put forward.

For energy auditing, Summit attendees supported a holistic approach, one which could leverage public and private partnerships and access existing funding. The 2014 energy auditing standard was considered a good opportunity for manufacturing, noting that savings need to be transparent and anchored.

3. Cutting bills and creating more comfortable homes

Options to improve energy efficiency in vulnerable households and rental properties emerged as a key interest among participants. Minimum building standards to improve energy efficiency underpinned most discussions regarding this.

Summit attendees discussed specific standards for rental properties, as well as options to raise current minimum standards for new homes from a 6 Star rating. Others outlined corrections needed to existing minimum standards – which continue to result in properties performing below standard in reality. This was attributed to a blend of poor quality workmanship, poor training, lack of product labelling, and poor compliance.

Many also suggested that consumers are often not “getting what they pay for” when it comes to the energy performance of their home. Suggested solutions included: increased compliance throughout the entire construction process; energy efficiency upgrade requirements to major renovations; training of tradespeople and surveyors; and increased consumer education.



Summit participants create an agenda for the Open Space discussion

Overall, attendees preferred a national (rather than state-based) approach to setting standards.

4. Jobs, skills and capability building

Summit attendees supported training and certification for energy auditors to strengthen industry quality and consumer confidence. Once qualified, they suggested practitioners should be able to: leverage existing research; provide advice on compliance, audits and behaviour change; and draw on credible energy auditing standards. Qualifications could also be extended to include water, waste and materials efficiency. They put forward NABERS and Green Star as examples of valuable and highly recognised programs.

Attendees preferred that training and accreditation was recognised at a national level and industry-specific (e.g. residential, commercial, manufacturing). They suggested industry associations could raise awareness of accreditation schemes, and attendees noted the Energy Efficiency Council’s (EEC) accreditation for commercial property improvement advice and the Australian Institute of Refrigeration, Air Conditioning and Heating (AIRAH) accreditation already exists.

5. Funding and finance

Discussion around funding and finance models to support energy efficiency gains spanned government grants, financing education, and collaborative public-private models that support individuals to find the money it takes for major improvements.

The short-term nature of government grants funding was raised as an issue in achieving energy efficiency outcomes. Attendees expressed concern about what would happen to projects after the end of the Federal Government’s Low Income Energy Efficiency Program (LIEEP) grant funding, and questioned whether there were opportunities to work outside the government grants program structure to finance energy efficiency improvements, noting that building trust in niche communities (e.g. CALD, low-income) can take considerable time.

Providing information about financing options emerged as a possible role for government, with the NSW guide provided as an example, collating information from a range of sources and spanning finance options across both energy efficiency and renewable energy. Simple language, case-studies, and highlighting the business case for change were suggested as key inclusions; in addition to development of a product comparison “iselect-style” website to compare financing options. Having access to trusted advisors, including accredited organisations, and promoting successes across the community were seen as important complementary elements of this education. The guidance could

be targeted at SMEs but also extended to residential and community sectors.



Summit participants pitch their ideas for discussion

Funding models, such as tri-party agreements between councils, and rate-payers, were also discussed. Examples included the already established Environmental Upgrade Agreements (EUAs) – with discussions canvassing risk, loan security, scheme ownership, and lender cost recovery issues. A similar example from Darebin Council offering finance for specific energy efficiency and solar investments was also discussed, with attendees suggesting a broadening of this successful financing model that recovers

specific investments through individual rates where there is a benefit to the household.

Other potential financial support or incentives discussed included: reduction in stamp duty for energy efficient homes; rates rebates; using a residential scorecard; bulk buys and EUAs for residential energy efficiency.

6. Targets and reporting

Many participants identified the importance of measuring and monitoring the effectiveness of energy efficiency and productivity programs – encompassing both benefits to the business or household as well as broader economic and community benefits such as jobs, improved health and lower government costs.

Several groups also supported the integration of energy efficiency, greenhouse gas abatement and renewable energy targets.

7. Research and data

Attendees largely agreed that Victoria’s smart meter network provides comprehensive data, however it is not effectively used to realise efficiency and productivity outcomes. Suggested solutions included:

- mandating the provision of de-identified data or data in a standard format, or coordinating the development of a voluntary industry code to achieve the same outcome
- Government support for the provision and use of in-home displays for electricity (and potentially gas) through the use of an app and improved VEET recognition
- improving the availability of public information on energy performance and benchmarking

A common question among attendees was how to measure energy productivity (i.e. the value that is created from energy use), as opposed to energy efficiency. Suggestions included drawing on

existing data, using multiple metrics to capture the whole story and to consider externalities, and applying measurements from a sectoral level down to the individual level.

8. Renewable energy and transport: beyond the scope

While the Summit specifically called for discussion on energy efficiency, a number of discussions explored renewable energy and transport.

The role of solar power as a cooling mechanism for low-income households was discussed, with its particular benefit of being available during the heat of the day. Examples of innovative approaches included the Darebin Solar Savers pioneer program, which sees council act as a trusted broker, supporting energy efficiency and solar programs that provide benefit to households, particularly vulnerable households. Discussions flagged opportunities for community solar, and the impact of battery technology sparking a revolution of the traditional grid system.

Transport energy was also put forward as a key consideration in a holistic policy approach to energy efficiency and greenhouse gas emissions – as transport emissions in Victoria are also significant.

Next Steps

We have been reviewing the ideas and discussions brought forward through the Summit as we prepare an Energy Efficiency and Productivity Strategy for Victoria.

Work on this strategy is now well underway. While valuable, it is not possible for all ideas and discussions from the Summit to be captured in the strategy. However, we will continue to provide opportunities for stakeholders and interested people to provide input into ways we can improve Victoria's energy efficient and productivity.

This strategy will deliver substantial, effective measures to increase Victoria's energy efficiency and energy productivity, to generate real and tangible benefits for Victorian businesses and families, and our broader economy.

Appendix 1 – Full list of Open Space discussion topics

Discussion topics
1. Capacity-building in the energy efficiency sector
2. Emerging research questions
3. Portability of community-based projects for energy efficiency
4. Financing energy efficiency for low income households
5. Residential modelling and education
6. Driving the value-conversation for residential real estate
7. Using data to drive energy efficiency
8. One Million Homes Alliance energy efficiency road map
9. Energy is a multi-step process
10. Gas efficiency in the manufacturing sector
11. Heating and cooling in industrial and food processing
12. Accreditation of service companies
13. Solar rates
14. Minimum lease standards for homes and offices
15. Measurement of energy efficiency opportunities
16. Energy productivity
17. A guide to finance options for business
18. How to implement Environmental Upgrade Agreements
19. Testing of new houses – get what you paid for
20. Solar and batteries are feasible – making it happen
21. Ten star performance housing
22. Best practice case studies of the productivity benefit
23. Six star energy rating for new houses and growth areas

Discussion topics

24. Energy efficiency and productivity in manufacturing and industry

25. Managing the transition

26. Community ownership of large scale renewable projects

27. Community access to data

28. Practical assistance for Small and Medium Enterprises (SMEs)

29. Unlocking latent demand

30. Smart apps/smart meters