



energy efficiency certificate creators association

EECCA Submission

Review of Victorian Energy Efficiency Target Regulations

22 June 2018

Energy Efficiency Certificate Creators Association
161 Victoria Parade
Collingwood VIC 3066

Rationale

The Energy Efficiency Certificate Creators Association (EECCA) welcomes the opportunity to provide feedback on the proposed Energy Saving Scheme Rule Change

For more information regarding any of the following information, please contact:

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In response to DELWP document “Proposed Activity Changes - DRAFT VEET Regulations” and the online consultation questions on <https://engage.vic.gov.au/review-victorian-energy-efficiency-target-regulations>, EECCA is please to have the opportunity to provide the feedback below.

“Proposed Activity Changes - DRAFT VEET Regulations”

P7: Discussion - regulatory changes

Transitional arrangements

EECCA requests that any products that are deemed to be removed from the product registry due to changes in the regulations should be done so with a minimum of nine month notice and transition period, during which the products will still be applicable for use. A nine-month transition period reflects the absolute minimum supply chain from new product R&D through to landing in Australia.

Note also that, EECCA has raised product quality and fit for purpose concerns for a small number of products with both DELWP and the Essential Services Commission and would recommend any products failing to meet the current regulations, the Australian Standards, or have been proven not to meet the VEET regulations lifetimes should be removed from the scheme immediately.

EECCA has some concerned about that there will be a period of uncertainty for products submitted prior to the commencement of the new regulations and requests that products submitted prior to one month prior to the new regulations be assessed under the existing regulations.

Exempt large energy users

The introduction of the Schedule Activity Premises, whilst enabling opt-in for large energy users, is complex for Consumers, the ESC, APs, Retailers and participants and EECCA will continue to push for a retirement of the EREP exemption under VEET. EECCA recommends that all Scheduled Activity Premises be permitted to participate in the scheme with existing exemptions sunset in 2021.

Consumer Engagement

The VEET scheme has generally been an outstanding success, but there have been a number of activities or installations which have been harmful to the integrity of the scheme and the public perception of the scheme. The majority of EECCA members would like to see a mechanism that drives stronger engagement and consideration by the energy consumer.

Under the current regulations, guidelines and administrative processes, consumers can fail to value the activities they are receiving and leading to reduced abatement for the program and suboptimal outcome for the consumer. Issues range from the removal of products before the abatement is achieved, quality concerns, and inappropriate implementations.

Stronger consumer engagement would go a long way to avoiding these issues. EECCA does recognize that mechanism such as the NSW ESS Scheme \$5 co-payment is administratively very difficult, and a co-payment / co-contribution impedes activity uptake.

P11: Regulatory changes by activity

Your feedback is sought on the proposed changes for each activity. In particular, please provide comments on the following topics:

1. *Is the timing of the proposed changes appropriate? – why/why not?*

Industry participants including EECCA members are united in the call for maximum regulatory certainty. Product development life cycles combined with production and shipping are typically in the order of 1 to 2 years and hence this period is the level of notice that EECCA calls for with respect to changes in products requirements in order to maximise industry investment. Similarly, installation businesses are placing forward contracts for up to 12 months for the delivery of VEECs to counterparties and hence required certainty to these timeframes.

2. *Where barriers to uptake are being addressed, do the proposed solutions seem reasonable? – why/why not?*

3. *Please provide comments on the energy efficiency opportunity available for an activity, how close is this activity to business as usual?*

In answer to both 2 & 3 the VEU Program has been instrumental in address barriers to uptake for energy efficiency, without the VEU program adoption for many businesses would be anywhere from 5 to 15 years later than current adoption rates.

4. *Are any other changes warranted?*

5. *Please provide comments for activities where deletion has been proposed, do you agree with this course of action? – why/why not?*

It is strongly recommended you review the proposed Regulations and Specifications when you are considering the changes outlined in the following sections.

Questions from Survey on Submission Page

<https://engage.vic.gov.au/review-victorian-energy-efficiency-target-regulations>

1. Do you agree with moving the technical requirements from the *Victorian Energy Efficiency Regulations 2008* to the *Victorian Energy Upgrades Specifications 2018*, and the process by which that document can be updated by the department?

Yes EECCA agrees with the proposal. One of the scheme's great shortcomings over the past eight years has been the administrator's inability to respond in a timely way to new energy efficiency technologies and to changes in existing technologies. Hopefully, the proposed move will go some way towards remedying this shortcoming. However, as noted in general commentary above, a minimum of nine months transition should be allowed to avoid scheme participants who are also manufacturers being unfairly penalised.

2. Do you agree with introducing flexibility into the proposed Regulations so that emerging technologies and products can be quickly integrated into the Victorian Energy Upgrades program?

Yes, EECCA agrees. The new mechanism is to give the department the power to declare new technologies/products eligible for incentives where the new technology delivers the energy service set out in the prescribed activity - i.e. lighting or space heating.

Please note that any significant changes to the Specifications would require the same levels of notice EECCA requests for changes to the Regulations to ensure ongoing business investment.

3. Do you agree with providing all activities in the proposed Regulations with a 'fresh start' in terms of the number of times an activity can occur at a premises?

Yes, especially as after more than eight years many products installed at the start of the scheme have reached the end of their useful life.

4. Do you agree with the transitional arrangements included in Part 4 of the proposed Regulations?.

No, See above.

5. Do you agree with increasing shortfall penalty rate from \$46.72 to \$50?

Yes

6. Do you agree with removing the requirement for certain products to be listed on the product register kept by the Essential Services Commission?

Yes, EECCA welcomes moving to GEMS registry entry as an alternative approval requirement. EECCA notes that where activities are performed at no cost, strong product approval requirements are critical to protecting the consumers.

7. Do you agree with the introduction of the new activity for high efficiency fan motors for ducted or partition fans in ventilation systems (proposed Part 33)?

Yes, BUT the abatement factors are unlikely to drive additional uptake. Where the baseline considers only the MEPS figures, there will remain in place the majority of the working fans with not enough incentive to drive addition uptake. !

8. Do you agree with the introduction of the new activity for gas-fired steam boilers (proposed Part 37)?

Yes, but again we'd question whether or not the awarded abatement will be adequate to drive any uptake.

9. Do you agree with the introduction of the activity for gas-fired hot water boilers or gas-fired water heaters (proposed Part 38)?

As above

10. Do you agree with the introduction of the activity for gas/air ratio controls (proposed Part 39)?

Yes, but details not reviewed

11. Do you agree with the introduction of the activity for gas-fired burners (proposed Part 40)?

Yes, but details not reviewed

12. Do you agree with the introduction of the activity for economizers (proposed Part 41)?

Yes, but details not reviewed

13. Do you agree with the removal of activities involving solar retrofits for water heaters (current Schedule 2 and 4)?

Yes, but details not reviewed

14. Do you agree with the removal of the activity involving destroying pre-1996 refrigerators and freezers (current Schedule 19)?

Yes, but details not reviewed

15. Do you agree with the removal of the activity involving standby power controllers (current Schedule 29)?

Yes and No.

EECCA notes that the consumers experience where this activity when provided at no cost did not provide long lasting abatement. The fact this activity is easily reversed may mean lower abatement is achieved if the consumers amenity is compromised. Where this activity is being performed with strong consumer engagement, it is valued and does achieve a level of abatement.

EECCA supports this activity remaining in the Regulations where it is provided as part of a wider solution with consumer engagement. There are still some energy savings to be made from this activity in lower income households where appliance technology may not have caught up to the trends identified in your research.

16. Do you agree with the removal of the activity involving low flow trigger nozzles (current Schedule 35)?

No, There are still some energy savings to be made from this activity in lower income households where appliance technology may not have caught up to the trends identified in your research

17. Do you agree with removal of flue/chimney balloons as eligible products for installation (current Schedule 15)?

Yes, this activity lack longevity

18. Do you agree with removal of compact fluorescent lamps as eligible products for installation (current Schedule 21)?

EECCA supports the removal of CFLs as an upgrade product under Part 21A. However, Part 21 should be expanded to allow for the replacement of CFLs. Many thousands of Victorian homes and businesses received CFL replacement of incandescent lamps under schedule 21A going back to the start of the VEET scheme. These CFLs are energy inefficient when compared to LED bulbs, contain mercury and are nearing or are at the end of their life. LED bulbs are significantly more expensive to purchase than CFLs so most customers replace CFL lamps with new CFL lamps. Including CFL replacement with LED bulbs under Part 21 of the Regulations will facilitate the bulk changeover of CFL lighting stock to more efficient and longer life LED technology. This is consistent with the principle of “fresh start” for the VEET scheme.

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19. Do you agree with removal of gas clothes dryers as eligible products for installation (current Schedule 25)?

Yes

20. Do you agree with the removal of T5 adaptors as eligible products for installation and decommissioning (current Schedule 34)?

Yes, EECCA supports the removal of T5 adapters as a new product.

No, EECCA does not support the removal of T5 adapters for decommissioning (baseline technology), there are a significant number of T5 adapter installations that would be better suited to moving to and LED fitting

21. Do you agree with the proposed changes for water heating activities? In particular, do you have views on the requirement for heat pump water heaters to be modelled to heat pump zone 5 (current Schedule 1, proposed Part 1)?

EECCA views water heating upgrades as an activity where there is a very high degree of certainty that energy savings are accurate and will persist for long period. For these the abatement award for water heating should be commensurately higher than activities which may have less permanence or be delivered for free.

EECCA also understands that low income households are likely to have the highest benefit from these activities, where the oldest and least efficient technology is installed and likely replaced with the lowest capital cost equipment (and hence least efficient of today's generation of water heaters).

EECCA understand that a lifetime of 12 years has been factored into the calculations and proposes this be increased to 15 years to reflect the high quality and long-lived abatement of hot water services

EECCA recommends that further consultation occur with Energy Efficiency Council and EECCA with further examination of the methodology and modelling.

22. Do you agree with the proposed changes for space heating and cooling activities? In particular, the changes for room heating (current Schedule 9 & 10, proposed Part 9 & 10) and replacing a fixed electric room heater with a high efficiency room heater?

Yes, EECCA agrees with this proposed change

23. Do you agree with the proposed eligibility changes for low flow shower roses (current Schedule 17, proposed Part 17)? In particular, decreasing the maximum flow rate allowed to 7.5L/min?

24. Do you agree with the changes to incandescent lighting (current Schedule 21, proposed Part 21), including requiring a 60-degree beam angle for downlights installed in residential premises?

EECCA are not in agreement, the majority believe the energy consumer should ultimately decide whether they are happy with the lighting outcome. Narrow beam angles should continue to be allowed where desired / required for certain light outcomes.

25. Do you agree with the proposed splitting of non-residential lighting activities (current Schedule 34) into building based (proposed Part 34), non-building based (proposed Part 35) and public lighting (proposed Part 27)?

Yes, EECCA also agrees with the ability for variations from AS1158 to be considered based on the current installed fittings. Our experience is that very few councils confirm to AS 1158 for street lighting. The requirement to confirm to AS1158 excludes many NBBL installations as well, where the existing lighting does not meet AS1158.

EECCA supports the requirement that the upgrade luminaire output should be equal or higher than the existing luminaires under NBBL and Public Lighting.

We note some useful comments from staff experienced in Council and Street Lighting <https://www.ipwea.org/communities/community-home/digestviewer/viewthread?GroupId=289&MID=7245>

26. Do you agree with the proposed changes to asset lifetimes, revised lamp circuit power categories, and new space types for non-residential lighting activities (current Schedule 34)?

EECCA welcomes the removal of the discount factors for T8 Fluorescent tube upgrades and in place a lower lifetime for modification method, and the full lifetime for fitting replacement

27. If you have a separate written submission, please upload it here. [Choose file...](#)

Additional Feedback

Ceiling Insulation

Ceiling Insulation remains one of the lowest cost and highest performing energy efficiency investment available to many Victorians. It is a VEET activity under the current Regulations (with zero abatement) but is proposed to be removed from the new Regulations and reintroduced in 2019. EECCA believes the Department can avoid the cost and effort of a subsequent change to the Regulation to reinstate ceiling Insulation by leaving it intact in the new Regulations. With the correct safety requirements in place It is a very simple activity and does not require significant rework to align it with the new greenhouse gas calculation methodology. It can be included in the new Regulations with a discount factor set at the discretion of the Department. Taking this activity out of the Regulations adds one more significant barrier to it becoming a vibrant VEET activity. The Department has been reviewing this activity for far too long with the result that many low income Victorian families that are in greatest need of this activity have been unable to access VEET benefits that may have made this activity financially viable.

NBB and Lighting Design

Requirement to meet the public standard

- The current NBB Compliance Declaration prescribes that the lighting designer signs off that the lighting upgrade meets all the requirements of AS/NZS 1158. This makes VEECs based on public lighting upgrades impossible: very rarely only does the actually installed lighting meet all of the standard's requirements. Only very small parts of a project may be eligible for VEECs with this current rule in place, making any project unviable.
- Main objective should be that the energy consumer's expectations are met.
- It might be required that the upgrade lighting, where light provided by existing lighting assets does not meet the relevant standard, must at minimum match or improve the existing light levels and move closer to the situation as prescribed by the relevant standard.

The currently proposed regulation, Table 16 of document

"DRAFT_VEET_Regulations_2018_-_Proposed_Activity_Changes.docx" specifies:

- NBB lighting (Part 35)
 - Lighting design demonstrates compliance with 1158 or deviations are justified
 - If deviations, lighting output must be equivalent or superior to replaced lighting equipment
 - Lighting designer is qualified to undertake the lighting design, as determined by the ESC
- Public lighting (Part 27)
 - Lighting design shows the location of each street light and the specification of the existing and replacement lighting equipment
 - Lighting design demonstrates compliance with 1158 or deviations are justified
 - Lighting designer is qualified to undertake the lighting design, as determined by the ESC

EECCA support this proposed change in the regulation, noting the following.

Accepting a lighting design

- “Lighting design” should primarily be acceptable to energy consumer, in addition to allowing for reconciliation of removed and installed equipment.
- Further, a lighting register which marks specifications and geo-locations or precise addresses of its lights should qualify as lighting design in the instance of a one to one installation

Privacy and Disclosure

Yes, EECCA gives consent to the Department publishing my submission on its or a related Victorian Government website