

Guidelines for updating the Victorian Energy Upgrades Specifications

Version 1.0

Author

This document has been prepared by the Department of Environment, Land, Water and Planning.

© The State of Victoria Department of Environment, Land, Water and Planning 2018



This work is licensed under a Creative Commons Attribution 4.0 International licence. You are free to re-use the work under that licence, on the condition that you credit the State of Victoria as author. The licence does not apply to any images, photographs or branding, including the Victorian Coat of Arms, the Victorian Government logo and the

Department of Environment, Land, Water and Planning (DELWP) logo. To view a copy of this licence, visit <http://creativecommons.org/licenses/by/4.0/>

Disclaimer

This publication may be of assistance to you but the State of Victoria and its employees do not guarantee that the publication is without flaw of any kind or is wholly appropriate for your particular purposes and therefore disclaims all liability for any error, loss or other consequence which may arise from you relying on any information in this publication.

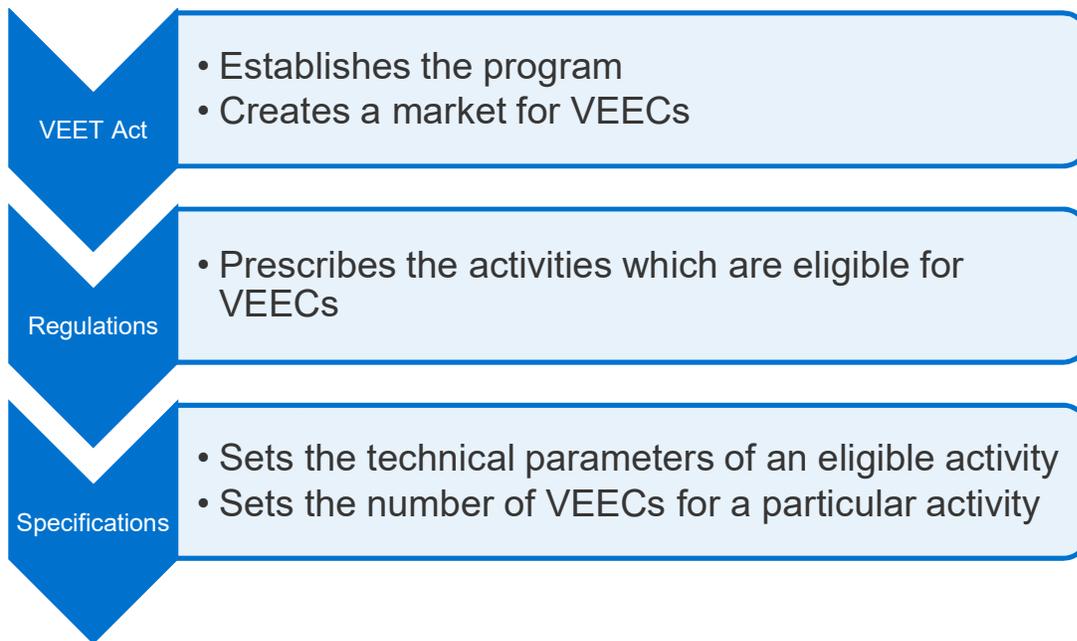
Accessibility

If you would like to receive this publication in an alternative format, please telephone the DELWP Customer Service Centre on 136186, email customer.service@delwp.vic.gov.au, or via the National Relay Service on 133 677 www.relayservice.com.au. This document is also available on the internet at www.delwp.vic.gov.au.

Introduction

These guidelines are designed to provide certainty to industry as to the process for amending the Victorian Energy Upgrades Specifications (the Specifications). The Specifications contain the technical requirements for activities prescribed in the Victorian Energy Efficiency Target Regulations 2018 (Regulations) and the number of Victorian Energy Efficiency Certificates (VEECs) an activity is eligible for. This document is intended to support the Specifications and set out the process for making amendments.

Figure 1: The Regulatory Framework of the Victorian Energy Upgrades program



Decisions on amendments to the Specifications will be made by the Secretary of the Department of Environment, Land, Water and Planning.

The department has outlined below what types of consultation periods, transition times and commencement dates are envisaged in certain scenarios.

Scenario 1: Updating the Specifications to reflect Regulatory or Act amendment

When an Act or Regulatory amendment requires an update to the Specifications and any changes proposed to the Specifications have already been consulted on as part of this amendment, the Specifications will be updated at the same time the amendment commences. No further consultation will be undertaken.

Hypothetical Example

A regulatory amendment removes a prescribed activity. Consultation of a minimum of 28 days is undertaken in accordance with the *Subordinate Legislation Act 1994*. Stakeholders are given an opportunity to provide feedback on the proposal for removal of that activity and the suggested commencement date of this amendment (i.e. from what date onwards this activity is no longer valid). Following consultation, the department decides to go ahead and remove the activity. The regulatory amendment is scheduled to commence on 1 August 2020.

The Specifications would be automatically changed to remove any references to this activity including the methodology for calculating the reduction in carbon dioxide equivalent greenhouse gas emissions (Abatement Methodology). The revised Specifications may be released on 1 August 2020, the same day the regulatory amendment commences.

Scenario 2: Changing the Abatement Methodology

The department will consult with stakeholders for a minimum of 28 days when a change is proposed to an existing Abatement Methodology. The Secretary will consider stakeholder input when deciding whether to progress with the change. The department will then release a Response to Consultation document. If the decision is to proceed with the change. This will come into effect at least six months after the publication of the Response to Consultation.

Hypothetical Example

New information about ducted gas heaters has emerged suggesting their lifetime has increased and is now likely to be 15 years. The department proposes to change the Abatement Methodology accordingly to provide an appropriate reward for an upgrade of this sort given it is likely to result in energy savings over a prolonged period. The department consults on the change for 28 days in April of 2021 and releases a Response to Consultation on 1 June 2021. The amended Specifications come into effect on 1 December 2021.

Scenario 3: Changing minimum efficiency requirements

The department will consult with stakeholders for a minimum of 28 days when a change is proposed to minimum efficiency requirements for measuring greenhouse gas equivalent emissions reductions. The department will consider stakeholder input when deciding whether to progress with the change. The department will then release a Response to Consultation document. If the decision is to proceed with the change. This will come into effect at least six months after the publication of the Response to Consultation.

Hypothetical Example

Minimum Energy Performance Standards have been increased for Refrigerated Display Cabinets (RDCs). This means the efficiency of the average RDC purchased has increased. The department seeks to incentivise efficiency above the norm. The department therefore proposes to increase the minimum efficiency requirements for RDCs. The department consults on the change for 28 days in December of 2021 and following a consideration of stakeholder input, releases a Response to Consultation on 20 February 2022, including the Secretary's decision to proceed with the changes. The amended Specifications come into effect on 20 August 2022.

Scenario 4: Changing other specified material

The Secretary has the power to specify some additional matters for the purposes of the *Victorian Energy Efficiency Target Regulations 2018* (the Regulations) including the climatic regions that apply to premises in which upgrades are undertaken (postcodes are used to identify the location and climatic region of a premises). The department proposes to consult for a minimum of 28 days with stakeholders on any changes. The Secretary will consider stakeholder input when deciding whether to progress with the change. The department will then release a Response to Consultation document. If the decision is to proceed with the changes, this will come into effect at least six months after the publication of the Response to Consultation.

Hypothetical Example

Evidence suggests an area that used to experience a mild climate now experiences a hot climate. This affects the average time people living in this area use heating and cooling appliances throughout the year. That in turn changes the estimated reduction in energy usage that should be applied for activities undertaken in these areas. The department proposes to change the classification of climate for postcodes within that area. The department consults on the change for 28 days in September in 2020 and following consideration of stakeholder input, releases a Response to Consultation on 1 October 2020. The amended Specifications come into effect on 1 April 2021.

Scenario 5: Correcting minor mistakes

The department will not consult on changes where amendments are required to correct mistakes made in the Specifications. For example, where an amendment does not correctly reflect the proposal specified in the Response to Consultation document or when the correction is minor and insignificant in nature. In these situations, an updated version of the Specifications will be released as soon as possible.

Hypothetical Example

The department recently consulted on changes to raise the minimum efficiency standard for refrigerators to 7 stars. During consultation stakeholders raised valid concerns. The department therefore released a Response to Consultation paper that stated the minimum requirement would be 6 stars. The Specifications are released on 1 August 2018 and the minimum requirement is stated as 4 stars. The department notifies stakeholders via email and the internet that there has been a mistake and releases an updated Specifications document on 14 August 2018.

Scenario 6: Introducing new products that may be installed under a prescribed activity

The Secretary has the power to specify further products that may be installed as part of certain prescribed activities. It also has the power to specify minimum efficiency requirements and Abatement Methodologies for upgrades involving such products.

The Secretary may identify and include new and emerging technologies for inclusion in the program or changes to Abatement Methodologies to allow the program to reward technology improvements.

The department will provide for the submission of suggestions from stakeholders concerning new products that may be suitable for installation as part of an existing prescribed activity. Suggestions may also include details on the minimum efficiency requirements and abatement calculations.

The department will review and consult on the inclusion of suitable new products at least every 12 months. A new and revised activities webpage will be developed for receiving submissions and providing feedback. The department will determine if a proposed change falls within the objective of the *Victorian Energy Efficiency Target Act 2007* and the scope of an existing prescribed activity. The change may be included in the Specifications if the supporting evidence is sufficiently robust.

The department will consult for a minimum of 28 days with stakeholders on changes that have been found to have sufficient supporting evidence. The Secretary will consider stakeholder input when deciding whether to progress with the proposed change and will then release a Response to Consultation document. If a decision is made to proceed with the changes, this will come into effect at least three months after the publication of the Response to Consultation.

Hypothetical Example

The department identifies that a new type of heating product has entered the market and is very efficient. The department identifies that this product can be installed as part of the prescribed activity outlined in Schedule 2, Part 6 of the Regulations.

The department identifies that robust evidence exists to determine the minimum requirements this product must meet. These requirements are necessary to provide assurance on product quality and performance, and that the expected average greenhouse gas emissions reductions will be achieved by upgrades involving the product. The department determines that this evidence can support the introduction of the product into the program.

The department consults on the changes in May 2019, considers stakeholder input and then releases a Response to Consultation in June 2019. New specifications come into effect in September 2019 meaning this product can now be installed.

Scenario 7: Incorporating ESC declarations

The Essential Services Commission (ESC) has the power to declare certain matters for the purposes of the Abatement Methodologies. This includes specifying the lamp circuit power for a light source or additional performance requirements for lighting equipment. The department will align the Specifications with these declarations as soon as possible once they come into effect.

Hypothetical Example

The ESC declares the lamp circuit power for a new type of lighting product that can be installed in building-based lighting upgrades. The department in their next update of the Specifications, which may be at any time following this, incorporates this lamp circuit power into Table 115 of the Specifications (which sets out lamp circuit powers for the purposes of the Abatement Methodology).

Scenario 8: New postcodes

The department considers that it is important to ensure houses and businesses in areas with new postcodes have access to the program's incentives without delay. The department will seek to enter these postcodes in the Location Variable List as soon as possible. The department will not consult on these changes.

Hypothetical Example

A housing development leads to a new postcode being introduced in April 2024. In its next update of the Specifications in June 2024, the department includes this postcode in the Location Variables List in its Specifications. Premises in that area are now able to undertake upgrades under the program.

Scenario 9: Changes to preserve program integrity

The department may expedite changes to the Specifications where urgent changes to a prescribed activity or scenario are required to protect the integrity of the program. Situations include but are not limited to where:

- Changes to legislation or government programs mean that an activity delivering a substantial number of total VEECs is no longer creating additional emissions reductions.
- An activity is delivering a substantial number of the total VEECs, but there is evidence that the greenhouse gas reduction estimations are inaccurate.
- The activity or scenario has resulted in poor or unsafe outcomes for energy consumers and an urgent response is needed.

The department will consult on these changes and the notice period required before the changes come into effect. The department will consider stakeholder input and the notice period required before deciding whether to proceed with the implementation of any proposed changes. A Response to Consultation will then be published.

Scenario 10: Other changes

The department will consult for a minimum of 28 days with stakeholders on all other changes. Following consideration of stakeholder input and the release of a Response to Consultation document, the changes will come into effect at least six months after the release of the Response to Consultation.