The Victorian Government is recommencing incentives for ceiling insulation in the Victorian Energy Efficiency Target (VEET) scheme, also known as the Energy Saver Incentive. Prior to these incentives recommencing the Victorian Government is consulting on proposed changes to the VEET Regulations to support the installation of ceiling insulation in a safe and correct manner.

The proposed changes to the VEET Regulations are:

* to restrict the type of insulation products eligible for VEET incentives to non-conductive products, and
* to update the referenced ceiling insulation installation standard.

Further details of these proposed changes are provided below. Additionally, draft Regulations are available online at: [energyandresources.vic.gov.au/esi](file:///%5C%5Ccore.ournet%5CDSDBI%5CGroupData%5CEER%5CESD%5CEnergy%20Policy%5CENERGY%20POLICY%20FILE%20SYSTEM%5CVEET%5C08_Activities%20-%20review%20existing%5CStakeholder%20consultation%20Sept2015%5Cenergyandresources.vic.gov.au%5Cesi)

The Department of Economic Development, Jobs, Resources and Transport (the Department) are currently seeking your feedback on the proposed regulatory changes. Details of how to make a submission are provided in the ‘How to provide feedback’ section of this document.

Background

Ceiling insulation represents a low cost opportunity to improve energy efficiency and thermal comfort in Victorian homes. Stakeholders have previously expressed strong support for the reintroduction of incentives for ceiling insulation.

In December 2015 the Department consulted on recommencing incentives for ceiling insulation in the VEET scheme. The proposed approach, reintroducing ceiling insulation once updated guidelines were published, received strong support from stakeholders. The scheme administrator, the Essential Services Commission (ESC), is currently preparing these guidelines.

In addition to updating the guidelines there is also a need to revise the VEET Regulations. It is proposed to amend the VEET Regulations to restrict the type of insulation products supported in the VEET scheme and make minor changes to referenced standards. The Department intends that the proposed regulation changes in this document will come into effect before the ESC publishes their guidelines.

Updated references to insulation installation standard

The VEET Regulations are being amended to reference the most recent version of the ceiling insulation installation standard.

The VEET Regulations currently require ceiling installation products to be installed in accordance with AS 3999: 1992. This standard has been updated since ceiling insulation was last eligible to receive incentives under the VEET scheme. It is proposed the VEET Regulations now reference the latest version of the standard: *AS 3999: 2015 Bulk thermal insulation – Installation.*

Restricting eligibility to non-conductive insulation

The Department commissioned advice from KPMG on the correct and safe management of ceiling insulation in the VEET scheme. The review identified that conductive insulation products are, in general, less suitable for installation in the Victorian climate[[1]](#footnote-1). The review notes that currently no conductive ceiling insulation products have been approved for use in the VEET scheme and that conductive insulation products may not be suitable to meet the product requirements for ceiling insulation under the VEET scheme (ceiling insulation must achieve an R-value of 3.5).

Roof cavities of houses contain electrical wiring. Co-locating conductive insulation products in the vicinity of electrical wiring must be undertaken with significant care. On balance, it is proposed to exclude conductive insulation as there are limited range of products relevant to the Victorian climate and a generally increased level of installation risk. Excluding conductive insulation is consistent with the approach of other jurisdictions, including the South Australian Retailer Energy Efficiency Scheme.

How to provide feedback

Submissions may be emailed to energysaver.incentive@ecodev.vic.gov.au.

Please use the subject: **Ceiling insulation regulation amendments consultation 2016**

Alternatively they may be provided in writing:

Ceiling insulation regulation amendments consultation 2016

Energy Policy and Programs

Department of Economic Development, Jobs, Transport and Resources

GPO Box 4509

Melbourne VIC 3001

**Please see website for submission closing date:**

[energyandresources.vic.gov.au/esi](file:///%5C%5Ccore.ournet%5CDSDBI%5CGroupData%5CEER%5CESD%5CEnergy%20Policy%5CENERGY%20POLICY%20FILE%20SYSTEM%5CVEET%5C08_Activities%20-%20review%20existing%5CStakeholder%20consultation%20Sept2015%5Cenergyandresources.vic.gov.au%5Cesi)

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**Victorian Energy Efficiency Target Amendment (Ceiling Insulation) Regulations 2016**

 1 Objective

The objective of these Regulations is to amend the Victorian Energy Efficiency Target Regulations 2008 to—

 (a) make changes to certain prescribed activities; and

 (b) incorporate more recent versions of certain documents that are relevant to certain prescribed activities; and

 (c) make other minor and technical amendments.

 2 Authorising provision

These Regulations are made under section 75 of the **Victorian Energy Efficiency Target Act 2007**.

 3 Commencement

 These Regulations come into operation on 1 March 2016.

 4 Principal Regulations

In these Regulations, the Victorian Energy Efficiency Target Regulations 2008 are called the Principal Regulations.

**5 Prescribed activities**

For regulation 6(2)(a) of the Principal Regulations, **substitute**

“(a) installing a product, or two or more products, a combination of products that complies with the criteria specified in Part A of Schedule 11—

(i) in accordance with AS 3999—2015 published on 23 July 2015; and

(ii) in a ceiling area not previously insulated for a minimum area of 20m2, being a product (or products) that complies with the criteria specified in Part A of Schedule 11;”

1. **Schedule 11 amended**

(1) In Schedule 11 to the Principal Regulations, after the heading, for "*AS 3999—1992 published on 16 April 1992 incorporating Amendment No. 1 published on 9 March 2012*" **substitute** "*AS3999—2015*".

(2) In Schedule 11 to the Principal Regulations, in Part A, for item 11A **substitute**:

"11A A product, or combination of products,—

 (a) that achieves a minimum winter R value of 3.5 when measured in accordance with AS/NZS 4859.1:2002 incorporating Amendment No. 1 published on 28 December 2006; and

 (b) each of which—

 (i) is not conductive; and

 (ii) complies with the performance requirements of AS/NZS 4859.1:2002 incorporating Amendment No. 1 published on 28 December 2006.".

1. KPMG (2015) *Review of Ceiling Insulation and the Victorian Energy Efficiency Target* [↑](#footnote-ref-1)