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| Victorian Energy Efficiency Target Scheme |
| Response to Consultation – Activity of installing weather sealing products |

In June 2016, the Department of Environment, Land, Water and Planning (the Department) invited stakeholder views on a proposed change to Schedule 15 of the VEET Regulations for the Victorian Energy Efficiency Target (VEET) scheme, the activity of installing weather sealing products.

The proposal comprised changes and additions to Schedule 15 of the VEET Regulations 2008 (the Regulations) which define the activity.

The consultation period, which covered a range of proposed scheme changes, ran from 15 June to 22 July 2016. The Department hosted a public consultation day on Wednesday 15 June 2016 at the Melbourne Convention and Exhibition Centre which was attended by around 250 people.

As part of this consultation, the Department released a consultation paper, ‘Proposed Activity Regulation Changes’. This consultation paper also covered proposed changes to high efficiency television activities and underfloor insulation. The issues raised in consultation for those methods are being addressed separately.

Five written submissions were received from peak bodies, Accredited Persons (APs) and members of the public. The VEET policy team at the Department would like to thank those who made a submission. Submissions not marked as confidential have been posted on the Department’s website: http://delwp.vic.gov.au/energy/legislation/energy-saver-incentive

The purpose of this document is to share the results of the consultation, detail how this input has shaped the proposed activity amendments and provide appropriate additional explanation.

# Your views

## Product Warranties

Currently, there are no industry standards for weather sealing products. Under VEET, there has been concern about the quality of products approved under the scheme and their expected lifetime. To mitigate these concerns, the Department proposed the introduction of a minimum lifetime (10 years, unless otherwise stated) for eligible products under the scheme. Although stakeholders also raised similar concern about product quality in consultation, they questioned whether manufacturers would be able to demonstrate lifetime in product applications.

After considering stakeholder feedback and the effective administration of the scheme, the Department has decided to amend the Regulations further by replacing 10 year lifetimes with product warranties of 2 and 5 years.

Without industry standards, warranties provide the most appropriate safeguard for customers in the event that products fail before the warranty period lapses. These changes overall help improve the product and installation standards under the Regulations, ensure the measures are able to be effectively administered, and align with current industry practices, which rely on the use of warranties. The inclusion of warranties is also consistent with the Energy Saver Scheme (ESS) of NSW.

## Poor levels of incentive and VEEC bonuses

One stakeholder said that the incentive level for the weather sealing measures overall is not sufficient to encourage market participation. The same stakeholder proposed that an upgrade which receives a number of weather sealing activities could receive VEEC bonuses to improve the level of incentive.

The abatement value, which provides the basis for the amount of incentive, was calculated by industry experts. This abatement value is determined by reviewing the activities and calculating the level of abatement over a specific time period (5 and 10 years). Although the level of incentive may be poor under some activities, this is the nature of a market scheme aimed to reduce greenhouse gases: the abatement awarded can only match the deemed greenhouse gas emission reduction. The consideration of other factors influencing the abatement value does not align with the scheme’s purpose under the Act.

Overall, however, the Department is satisfied that when an upgrade of a premise involves a number of weather sealing activities, the level of incentive should be sufficient for market participation. This is particularly evident when industry is able to offer 5 year product warranties to customers.

**Exhaust fans**

One stakeholder suggested that the level of abatement being awarded for the sealing of an existing exhaust fan (15D) compared to the installation of an exhaust fan with a self-closing damper (15C) should be the same.

However, the industry experts, who set the abatement values, found that the installation of self-closing dampers to existing fans provided a better seal than exhaust fans with an integral self-closing damper. This is why the abatement value is higher under 15D.

**Manufacturer’s instructions**

In the originally proposed changes, only 15D (exhaust fans) and 15F (chimney seals) required installed products to be undertaken in accordance with the manufacturer’s instructions. To ensure consistency between 15D and 15F, the Department has inserted ‘installed in accordance with manufacturer’s instructions’ in the other measures.

**Robust non-shrinking permanent sealing material**

One stakeholder sought clarification on the definition of ‘robust non-shrinking permanent sealing material’ under 15E (wall vent seals). To be consistent with the new changes incorporating 2 and 5 year warranties, the word permanent has been removed, leaving it to read ‘robust non-shrinking material’. The intention behind the use of robust and non-shrinking is to exclude non-robust materials such as silicon sealants, open cell foam and the like.

**Air circulation and human health**

One stakeholder raised concern about the impact that weather sealing products may have on reducing air circulation to dangerous levels. In the Regulations, all of the weather sealing activities must comply with the minimum ventilation requirements of the BCA. Studies from Sustainability Victoria (SV) have found that Victoria has high air leakage rates by international standards. Houses with excessive air leakage can be uncomfortable and hard to keep cool in summer or warm in winter. The purpose of the weather sealing activities is to reduce excessive air leakage. Based on studies from SV, safeguards in the Regulations, and the type of activities available under VEET, no compliant weather sealing activities will have a determinal impact on health.

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