

ESIA Media Release

14 April 2020

COVID-19 recovery energy upgrade stimulus more than a sugar hit

Targeted fiscal stimulus for households and businesses to undertake much needed energy efficiency upgrades will rapidly stimulate the economy *and* deliver long-term benefits. This approach will deliver much more than a short-term sugar hit as part of any well-considered COVID-19 recovery plan, according to the Energy Savings industry Association (ESIA).

“Key activities ripe for targeted fiscal stimulus include air conditioning, lighting, system controls and batteries. Support for demand response enabled devices (DRED) will also deliver ‘smart’ infrastructure improvements behind the customer meter. These kinds of upgrades can rapidly respond to electricity system demand peaks for decades,” said President of the ESIA, Rod Woolley.

Targeted mass rollouts of appliances and systems that reduce the consumption of large amounts of electricity, particularly at peak times, could avoid a repeat of last summer’s peak demand emergencies in both Victoria and NSW. Those governments asked households to turn off their generally very inefficient air conditioners during heat waves, in the afternoon at a time when cooling was most needed.

Many suitable small, medium and large sites are currently vacant including retail, hospitality, tourism, entertainment and offices. Many upgrades can more easily occur prior to COVID-19 restrictions being fully lifted. Opportunities for residential upgrades can increase as health risks reduce.

Targeted energy upgrades will deliver long-term infrastructure improvements that create tens-of thousands of jobs, reduce energy bills for distressed households and businesses saving them billions of dollars, build resilience and security in the electricity system – reducing peak demand and pressure on poles and wires, and reduce greenhouse gas emissions at lowest abatement cost.

Stimulus that significantly reduces upfront cost - the greatest ongoing barrier to high quality efficiency upgrades, will be most effective. This method is low risk and proven. For over a decade energy savings schemes in Victoria, NSW, SA and ACT have supported retrofits to millions of households and businesses in major need of an upgrade. And that is only the tip of the upgrade opportunity which governments are being invited to consider.

“We now have a well-established industry that is highly agile with sophisticated product and service development capabilities, supply chains and marketing channels, a register of accredited high-quality products, regulated services, proven compliance regimes and legislative frameworks. Targeted support for energy customers will provide certainty for our industry so we can retain employees and continue to invest,” concluded Mr Woolley.

... Ends

Media contact: ESIA Jessica Lynch, M 0417 539 377, comms@esia.asn.au