

## ESIA Media Release

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### **Victoria's energy savings scheme 2021 target set by default, with promise of 22-25 targets to remain ambitious – COVID-19 paradox**

The Victorian government has decided to keep the 2021 Victorian Energy Upgrades (VEU) program target the same as for 2020 (by using a default mechanism in the Victorian Energy Efficiency Target (VEET) Act). This is instead of releasing the 2021-2025 targets as anticipated by 31 May, the reason being due to COVID-19 impacts on government processes.

“While industry is very disappointed with the lack of certainty this approach is causing, we recognise that we need to support government to ensure it can come to a landing on the 2022-2025 targets as soon as possible, well before the end of 2020,” said president of the Energy Savings Industry Association (ESIA), Rod Woolley.

“The VEU is an excellent vehicle for delivering economic stimulus and creating jobs for Victoria and keeping more money in the pockets of all Victorians. The need to stay focussed on strengthening the VEU continues. In coming weeks, the government has indicated, there should be a landing on changes to lighting upgrade incentives, some of which have been suspended due to COVID-19.

“The VEU is reducing annual electricity consumption by up to five per cent a year. This downward pressure on wholesale electricity costs is the unsung hero of energy policy,” said Mr Woolley.

“We don't want to lose any further immediate benefits that the VEU can provide. The 2020 target has already been met and the 2021 target could well be reached by the end of 2020. The ESIA continues to advocate for a bigger target sooner to stimulate more energy upgrades.

“Facilities managers and installers including electricians are champing at the bit to complete energy upgrades while observing COVID-safe practices. Many sites are perfectly placed now to do upgrades with people being advised to work from home where possible. We urgently need the government to avoid further delays, warding off more job-shedding in the sector in coming months.

The VEU incentivises installers to develop affordable product offerings at reduced cost to customers. Energy customers need this kind of incentive to overcome ongoing barriers to changing out inefficient equipment: like lack of upfront capital for installations and lack of understanding about ongoing bill savings and quick pay-back periods. Typical upgrades include lighting, air conditioning and building management systems and weather sealing.

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