

ESIA Media Release

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Vic energy efficiency target proposed 10% energy sales by 2030

Reduced energy bills for significantly more households and businesses would be par for the course with a major increase to the Victorian Energy Upgrades (VEU) program target as supported in an energy efficiency policy announcement made by the Vic Greens today.

“We welcome the strong support by the Greens for the strengthening of the VEU and look forward to continued support from all parties to strengthen the program. Our analysis shows that an increase in the target from the current estimated six per cent to 10 per cent of electricity and gas consumption is readily achievable,” said Energy Savings Industry Association (ESIA) President Mr Hamish McGovern.

The VEU target has been easily exceeded annually in recent years.

At 2017, based on installations since the scheme start in 2009 the scheme is delivering cumulative savings year-on-year. Total electricity consumption has reduced by five per cent, nearly double the reduction by rooftop solar.

More than 1.5 million households and businesses have participated in the scheme by undertaking energy-saving upgrades including lighting, space heating and cooling, water heating, building and appliance upgrades and low-flow shower roses.

The VEU results in no net cost to energy customers; this is well documented in regulatory impact statements since 2009. This is because energy-saving upgrades reduce energy bills, and reduce pressure on peak demand and the need for more power generation and infrastructure upgrades.

“We support strengthening of the VEU with some modifications to ensure more energy-saving upgrades happen sooner, with a focus on low income households and energy upgrades to suit the unique needs of very energy-hungry businesses.

“Energy efficiency is the invisible twin that should sit firmly beside renewables uptake policy. Ambitious and reasonable energy efficiency targets make renewables targets easier and more cost-effective to achieve sooner,” concluded Mr McGovern.

The VEU is the most significant policy driver for energy efficiency in Victoria. A review to determine VEU targets to be set from 2021-2025 commenced on 15 Oct 2018 with a target currently scheduled to be announced in March 2020 by the Department of Energy, Water, Land and Planning (DELWP). The ESIA has requested that the announcement date be brought forward to Sept 2019 to allow time for industry to transition so momentum of energy upgrades can be maintained.

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