

action 2: improving our energy efficiency

Demand for energy in Victoria is continuing to increase and there is significant potential to reduce demand through energy efficiency measures. Saving energy through improved energy efficiency has been shown to be one of the most cost-effective ways that Victorians can cut greenhouse gas emissions in the past – and it will continue to be an important priority for the future.

What we will do

2.1 Help for large resource users

We will help big industrial users cut their water, energy and waste through mandatory efficiency audits.

The Government will build on the success of EPA's Industry Greenhouse Program by introducing Environment and Resource Efficiency Plans for the State's 250 biggest energy and water users.

These companies will be required to prepare and implement Environment and Resource Efficiency Plans that include energy, water and waste reduction actions with a three-year or better payback period.

It is expected that this program will reduce greenhouse gas emissions by more than 1 million tonnes per year.

In addition, there will be a voluntary program for other large users through industry associations and targeted programs for key areas such as smaller commercial and industry resource users.

2.2 Smart metering

We will spend \$2 million on pricing and metering trials using new technology to record how much power you use every 30 minutes and identify ways to save.

For the last 100 years, standard household power meters have recorded the total energy used. We will speed up the roll-out of two-way interval meters over the next three-to-five years to two million homes so that Victorians can change their behaviour to save money and energy.

By knowing exactly how much energy you are using and at what price, you may choose to use energy-intensive appliances like air-conditioners and clothes dryers in off-peak times. Pricing trials will help retailers and consumers show how they could save money by reducing power demand in peak periods. Information gained from the trials could be used for future tariff pricing structures that reward people for saving energy.



2.3 Smarter energy pricing

We will examine energy pricing regimes that give all Victorians an incentive to save energy.

Appropriate energy pricing has the potential to complement other initiatives aimed at improving energy efficiency.

As part of *Our Water Our Future*, water pricing structures have helped save water without significant cost burden on consumers, especially low-income families.

The Government wants pricing regimes that encourage efficient resource use by businesses and households.

We will pursue energy pricing regimes that induce efficient resource use by businesses and households, including through improved pricing signals, and will examine options in consultation with energy retailers and consumer groups.

2.4 Greener appliances

We will expand minimum energy standards to more appliances, including televisions and computers.

Mandatory minimum energy performance standards (MEPS) set a bottom line for the amount of energy that can be used in particular appliances. As part of the *National Framework on Energy Efficiency*, the Victorian Government will support the accelerated development and roll-out of MEPS for key domestic appliances and commercial/industrial equipment. This will set new standards for television and home entertainment equipment, computers, chillers, heating, cooling and lighting.

We will also support the introduction of a fully national scheme for regulating the energy efficiency of gas appliances and equipment and give incentives for innovative energy efficient products.

2.5 Energy smart business

We will invest \$2.5 million to demonstrate how business and retailers can be a lot smarter with energy and save money.

Energy efficiency best practice demonstration projects will drive the wide spread uptake of best-practice by sharing the knowledge of how to make your business energy smart, which will save money and be more productive.

We will also start benchmarking Victoria's energy performance in key sectors of the economy, identifying key indicators as the basis for regular reporting. The focus will be on key business sectors, but we will also look at the residential sector and work with industry groups to spread the knowledge.

2.6 Better billing

We will collect and compare consumption data from similar households across a number of locations to give Victorians a better idea of how their energy use compares.

Currently we know very little about how similar households – in terms of size, age and type of housing – perform on the energy front. The Government will further investigate its energy data needs to determine whether any additional data is needed, particularly in relation to local government programs to reduce energy consumption.

We will also work with retailers to make energy bills more informative over time and help households save energy. This will enable Victorians to compare their power use with similar households, just like we do with our water bills. This is part of a National process to improve billing information.

2.7 Growing the energy efficiency industry

We will develop a suite of policies that will help Victoria attract jobs in energy efficiency.

More than 5,200 Victorians are employed in the sustainable energy industry, and approximately 90 per cent of these jobs relate to energy efficiency. A healthy and competitive energy efficiency services sector is essential for an efficient, low-emissions economy. We need to have the skills, technologies, advice and services in Victoria to support more business sectors and households to be more efficient.

2.8 Cities for climate protection

We will help local councils cut their greenhouse emissions with \$400,000 for climate change programs.

Victorian councils have been very pro-active in preparing for climate change with 61 councils joining the Cities for Climate Protection program. These councils have their own action plans to, for example, reduce energy and have green purchasing policies. This funding will help them achieve local goals.

The Government's Energy Efficiency Action Plan will be released shortly.

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