



EASTERN ALLIANCE FOR
GREENHOUSE ACTION
Maroondah City Council
Braeside Ave
Ringwood VIC 3134
www.eaga.com.au
Ph: 03 9298 4250
Mob: 0431 133 592

Mark Feather
Executive Director
Energy Sector Development Branch
Department of Economic Development, Jobs, Transport and Resources
Level 10, 121 Exhibition Street
MELBOURNE 3000

Online: www.energyandresources.vic.gov.au

26th November 2015

Dear Mr Feather,

**Re: Victorian Energy Efficiency Target (VEET) Proposed Activity Regulation Changes
& Project Based Assessments October 2015**

The Eastern Alliance for Greenhouse Action (EAGA) welcomes the opportunity to respond to the Department of Economic Development, Jobs, Transport and Resources (DEDJTR) consultation relating to the Victorian Energy Efficiency Target (VEET) scheme.

EAGA is a formal Alliance of seven Councils in Melbourne's East, including:

- City of Boroondara
- Knox City Council
- Maroondah City Council
- City of Monash
- City of Stonnington
- City of Whitehorse
- Yarra Ranges Council

EAGA is committed to delivering mitigation and adaptation projects and advocating for initiatives that promote sustainable, low carbon communities. Our councils recognise the importance of market based mechanisms in overcoming the barriers to energy efficiency and therefore have a significant interest in the continuation and long term sustainability of the VEET program. EAGA commends the State Government's decision to continue and strengthen the VEET scheme.

We urge the Department to consider the following recommendations in relation to the proposed changes to the scheme:

1. Proposed Activity Regulation Change

We support the Proposed Activity Regulation Change to include the ability for non-building related lighting (such as street and outdoor lighting) to be included under VEET. This has been listed Under Schedule 34 – Commercial Lighting in the “Victorian Energy Efficiency Target (VEET) Proposed Activity Regulation October 2015” document with changes proposed to commence on 1 January 2016.

Emissions from our region’s 56,084 street lights represent ~40% of the combined footprint of EAGA’s members, however accessing the necessary capital required to replace the region’s street lights with energy efficient alternatives remains a key challenge for EAGA’s councils. Whilst some of the Alliance’s members are currently undertaking or planning street light retrofit programs, it is estimated between 3,020 and 6,471 additional lights could be replaced in the region if these projects could capture a VEEC subsidy.¹ Such incentives are expected to be critical for fast tracking the deployment of efficient lighting on Victoria’s main roads.

2. Project Based Assessments (PBA)

We support the immediate introduction of PBAs into the VEET scheme. Importantly, project-based methodologies support complex, multi-technology energy efficiency projects. This will be critical for improving the economic viability of a joint energy performance contracting (EPC) initiative currently being planned by EAGA members. We therefore recommend a PBA approach that includes EPCs and allows for the forward creation of certificates that can generate additional up-front funds for a project to help offset capital costs. This would allow more energy efficiency measures to be implemented and bundled into holistic EPC solutions.

EAGA is willing to work with the State Government and the DEDJTR team to ensure that consistent and robust approaches to energy efficiency are adopted. This includes working collaboratively to implement programs that unlock the energy savings available to households, businesses and Councils.

Kind regards,



Cr Erin Davie
Executive Chair
Eastern Alliance for Greenhouse Action
Councillor, City of Stonnington



This submission has been approved through EAGA’s formal governance structure as described in the EAGA Memorandum of Understanding 2012-16. The submission may not have been formally considered by individual member councils.

¹ Based on analysis by Ironbark Sustainability. Assumes VEEC price between \$14 - \$30, deemed over 10 years