

Energy Savings Scheme Statutory Review 2020

Stakeholder submissions

On 24 April 2020, the Minister for Energy and Environment released the ESS Draft Statutory Review and Energy Security Target and Safeguard Consultation Paper.

The NSW Government called for submissions from all interested parties on the evidence presented in the Statutory Review Report. Interested parties were asked to respond to the following question:

Is there any other evidence or matters that should be considered that would indicate whether the objectives of the Energy Savings Scheme are being met and remain valid?

Submissions for the ESS Draft Statutory Review closed on 20 May 2020. The following submissions were received:

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Director, Climate Change and Energy Savings Policy
NSW Department of Planning, Industry and Environment
By email to: energysecurity@environment.nsw.gov.au



Re: Energy Efficiency Council submission to the – ESS Statutory Review

18 May 2020

Dear Cris

Thank you for the opportunity to comment on the Energy Savings Scheme (ESS) Draft Statutory Review Report.

The EEC strongly supports the ESS. The ESS addresses a combination of market failures and distortions in the energy market that result in over-investment in energy supply and under-investment in demand-side solutions. The ESS has delivered substantial improvements in energy efficiency and lowered peak demand, reducing energy bills for homes and businesses, including non-participants.

The EEC agrees with the key findings of the Draft Statutory Review Report, specifically:

- Objective 1 - to create a financial incentive to reduce the consumption of electricity by encouraging energy saving activities
 - The objective remains valid.
 - The ESS is meeting the objective.
- Objective 2 (a) – to assist households and businesses to reduce electricity consumption and electricity costs
 - The objective remains valid.
 - The ESS is meeting the objective, delivering over \$3.9 billion in energy savings over the lifetime of the measures supported by the program.
- Objective 2 (b) - to complement any national scheme for carbon pollution reduction by making the reduction of greenhouse gas emissions achievable at a lower cost.
 - While objective to reduce emissions remains valid, in the absence of a meaningful national framework for reducing carbon emissions, Objective 2 (b) of the ESS should be reframed to a simpler objective of 'supporting greenhouse gas emissions reductions at lowest cost.'
 - The ESS is meeting the objective, reducing Australia's annual emissions by 2.2 megatonnes of carbon dioxide equivalents.
- Objective 2 (c) - to reduce the cost of, and the need for, additional generation, transmission and distribution infrastructure.
 - The objective remains valid
 - The ESS is meeting the objective, reducing peak demand and reducing the need for over \$720 million of expenditure on networks and generation.

If you require any further information on the matters set out in this submission, please contact me at any time on 0414 065 556 or rob.murray-leach@eec.org.au

Yours sincerely

A handwritten signature in black ink, appearing to read 'Rob Murray-Leach', with a stylized flourish at the end.

Rob Murray-Leach
Head of Policy
Energy Efficiency Council



energy savings
Industry Association

**ESIA Submission
Draft Statutory Review Report
ESS Review 2020**

NSW Energy Savings Scheme

20 May 2020

Submitted via energysecurity@environment.nsw.gov.au to:
Director, Climate Change and Energy Savings Policy
NSW Department of Planning, Industry and Environment (DPIE)

Energy Savings Industry Association
Suite 2, Ground Floor, 109 Burwood Rd, Hawthorn 3122
www.esia.asn.au
ABN 52 166 026 766

Executive Summary

The Energy Savings Industry Association (ESIA) is pleased to make this submission in response to the New South Wales (NSW) Energy Savings Scheme (ESS) Draft Statutory Review Report released on 30 April 2020 by the NSW Department of Planning, Industry and Environment (DPIE). (Refer to <https://energy.nsw.gov.au/media/2036/download>)

Part 1 – ESS meeting objectives and still valid

This section responds to the single question in the consultation paper seeking other evidence or matters that should be considered to indicate whether the ESS objectives are being met and remain valid. Other matters to better meet these objectives are discussed in Parts 2 to 6.

Part 2 – ESS needs a new administrator

This section highlights major concerns with the current ESS administrator, the Independent Pricing and Regulatory Tribunal (IPART), and the need for a new administrator to be established. A new entity could be tailored to service the needs of the new Energy Security Safeguard, including an expanded and extended ESS and the new demand reduction scheme. Administration needs will be unique to this growing sector, which will involve regulating hundreds of small businesses rather than the comparatively few large government and privately owned utilities and agencies that IPART was originally designed to regulate.

The focus of a new administrator needs to be on best practice industry development to support delivery of scheme objectives, whilst continuing to ensure scheme integrity.

The Clean Energy Regulator (CER) provides an outstanding example of an efficient and effective administrator. The CER was established in 2012 specifically as part of a market intervention and business development initiative. As stated on its website: the CER is a government body responsible for accelerating carbon abatement for Australia through the administration of the National Greenhouse and Energy Reporting scheme, Renewable Energy Target and the Emissions Reduction Fund. The CER is responsible for administering legislation that will reduce carbon emissions and increase the use of clean energy (<http://www.cleanenergyregulator.gov.au/About> (downloaded 15/5/20)).

A new regulator could potentially serve other similar schemes across Australia in the future. This would align with the COAG energy council commitment as part of the National Energy Productivity Plan (NEPP) for harmonisation of energy savings schemes. An analogy is the NSW administration of the nationally focused NABERS sustainable building scheme.

Part 3 – ESS audit regime needs to be streamlined

This section highlights that the audit ESS audit regime needs to be streamlined, particularly for more complex projects. It is very costly for participants, lacks commercial pragmatism and flexibility with a ‘one-shot’ requirement to get things right, and an arduous and unbalanced review approach that can result in failure to create certificates. This approach creates a major barrier to getting such projects over the line in a reasonable and effective manner and viable timeframe to meet commercial imperatives. An overhaul to the audit approach would particularly assist with mobilising more projects under the PIAM&V method – especially if the administrator could consider multiple submissions for the same activity to bring funding forward. (The Victorian Energy Upgrades (VEU) program allows the same project to be submitted up to three times as more data becomes available over time of implementation.

IPART requires 12 months of data prior to creation of certificates, which is a very hard to sell to persuade an energy customer to commit to undertake a project.)

Part 4 – ESS needs to streamline PIAM&V activities

This section highlights ideas for streamlining Project Impact Assessment with Measurement and Verification (PIAM&V) to reduce risk and costs and so increase uptake of these often more complex and significant energy-saving types of upgrades.

Part 5 – Key principles to drive method development and maintenance

This section highlights key principles that will reduce the risks and costs discussed in Part 3.

Part 6 – Further opportunities: new activities and methods

This section highlights opportunities that are discussed in more detail in the ESIA submission to the DPIE Energy Security Target and Safeguard consultation paper due 22 June 2020.

About ESIA

The Energy Savings Industry Association (ESIA) is the peak national, independent association representing and self-regulating businesses that are accredited to create and trade in energy efficiency certificates in market-based energy efficiency and demand reduction schemes in Australia. These activities underpin the energy savings schemes which facilitate the installation of energy efficient products and services to households and businesses. Members represent the majority of the energy efficiency certificate creation market in Australia. Schemes are established in Victoria, NSW, SA and the ACT. Members also include product and service suppliers to accredited providers within the schemes. As well, the ESIA represents member interests in national initiatives that include demand reduction and energy efficiency such as the Federal Government's Climate Solutions Fund.

Further engagement

We welcome the opportunity to discuss this submission prior to a final Statutory Review Report due to be tabled in Parliament by 30 June 2020.

For more information, please contact comns@esia.asn.au

1 ESS meeting objectives & still valid

The NSW Government invited submissions on the evidence presented in the Draft Statutory Review Report and posed the following question:

Is there any other evidence or matters that should be considered that would indicate whether the objectives of the Energy Savings Scheme are being met and remain valid?

Responses were sought against the scheme objectives as defined in the Act. These are:

1. The principal object of this Part is to create a financial incentive to reduce the consumption of energy by encouraging energy saving activities.
2. The other objects of this Part are:
 - a. to assist households and businesses to reduce energy consumption and energy costs, and
 - b. to complement any national scheme for carbon pollution reduction by making the reduction of greenhouse gas emissions achievable at a lower cost, and
 - c. to reduce the cost of, and the need for, additional energy generation, transmission and distribution infrastructure. (Source: <https://energy.nsw.gov.au/media/2036/download>)

1.1 ESIA Response

Findings provided in the Draft Report provide strong evidence that the ESS is meeting its objectives and that they remain valid. The ESIA supports the Review approach that the broad scheme design as a market-based certificates scheme remains appropriate. (p22). The ESIA commends the NSW government for recognising that the ESS, as a large-scale market-based scheme, can help transform energy efficiency markets, due to ongoing uptake barriers, by providing a long term framework that enables service providers to develop business models that are scalable and sustainable. Also, that the ESS remains a major initiative that supports NSW reducing energy consumption while stimulating strong economic growth. (pp 5-6)

In 2019 electricity consumption savings from the ESS were equivalent to 4% of grid-supplied electricity (p17). This provides a significant contribution to reducing wholesale electricity prices, residential and commercial energy bills and greenhouse gas emissions, the need to invest in energy infrastructure - including poles and wires and new peaking plant - to offset closure of the Liddell and Vales Point coal-fired power stations scheduled for decommissioning in the next decade. Energy savings available with gas upgrades and fuel switching from gas will play and increasing role in addressing gas supply shortfalls predicated within the next decade.

The ESIA commends the NSW Government on extending and expanding the ESS to 2050 with a more ambitious target, as announced in November 2019, under a newly named Energy Security Safeguard (Safeguard), to include a peak demand reduction scheme. This nation-leading initiative will be a crucial contributor to improving the resilience of NSW's energy supply and meeting the NSW target of net zero emissions by 2050.

2 ESS needs new administrator

This section highlights major concerns with the current ESS administrator, the Independent Pricing and Regulatory Tribunal (IPART), and the need for a new administrator to be established. A new entity could be tailored to service the needs of the new Energy Security Safeguard, including an expanded and extended ESS and the new demand reduction scheme. Administration needs will be unique to this growing sector, which will involve regulating hundreds of small businesses rather than the comparatively few large government and privately owned utilities and agencies that IPART was originally designed to regulate.

The focus of a new administrator needs to be on best practice industry development to support delivery of scheme objectives, whilst continuing to ensure scheme integrity. This will require deeper engagement and so a better understanding of the industry. This in turn will support better capacity building opportunities with the small-to-medium-enterprise (SME) businesses that the Government generally relies upon to deliver energy-saving services under the current ESS.

The Clean Energy Regulator (CER) provides an outstanding example of an efficient and effective administrator. The CER was established in 2012 specifically as part of a market intervention and business development initiative. As stated on its website: the CER is a government body responsible for accelerating carbon abatement for Australia through the administration of the National Greenhouse and Energy Reporting scheme, Renewable Energy Target and the Emissions Reduction Fund. The CER is responsible for administering legislation that will reduce carbon emissions and increase the use of clean energy (<http://www.cleanenergyregulator.gov.au/About> (downloaded 15/5/20)).

The CER has a broader role than IPART. Because it is responsible for accelerating carbon abatement, it needs to support industry development to that end. It has a proven record for taking initiative in engaging with industry to improve its programs and reduce costs. Examples include driving engagement with industry to enhance regulation such as streamlining audit processes, publishing information on how the market is performing, and initiating a solar panel serial validation process for quality control.

A new regulator could potentially serve other similar schemes across Australia in the future. This would align with the COAG energy council commitment as part of the National Energy Productivity Plan (NEPP) for harmonisation of energy savings schemes. An analogy is the NSW administration of the nationally focused NABERS sustainable building scheme.

In recent years, IPART administrative and cultural issues have had direct impacts and knock-on effects that have been identified by the ESIA. The issues have direct impacts on the Accredited Certificate Providers (ACPs), customers and suppliers who deliver the energy-saving upgrades required to meet the ESS policy objectives by increasing the costs and lowering the savings possible under the scheme. Every dollar spent on inefficient administration is money that either need not be collected from NSW bill payers, or better yet could fund more savings for the same Scheme costs.

Regarding compliance costs, the current level of ESS compliance and associated financial risk is greater than required and experienced by some ASX-listed companies undertaking similar projects outside of the ESS. Some ESS participants have chosen to cease engagement, or not engage, in the program due to compliance costs and risk.

2.1 Root causes of need for a new administrator

To ensure the ESS is placed on a sound footing into the immediate and long-term future from 2021 to 2050, three root causes need to be addressed:

1. **Misalignment of the Administrator’s mission with policy goals:** The mission of the Administrator should be to ensure the ESS delivers the greatest energy savings at the lowest long-term cost (including costs of compliance and the cost of undermining long term confidence to invest).
2. **Lack of formal roles and responsibilities:** An ESS Administrator has never formally been appointed nor its purpose and roles defined under the provisions of the Act. As a result, the Administrator role seems to be limited to the audit and compliance monitoring functions explicitly listed in the Act and Rule.
3. **IPART structure and capabilities:** While well suited to its core responsibilities, these do not provide IPART with key capabilities required for effective ESS administration. IPART’s part-time tribunal structure is well suited to overseeing annual or multi-year regulatory processes. But as a very large, decentralised incentive program, the ESS requires delegation and decision-making that align with the timeframe expectations of the customers the Government hopes will undertake energy saving projects.

2.2 ESS improvements needed now

ESS objectives are being met and remain valid. To better meet these objectives and to ensure the ESS is on sound footing into the immediate and long-term future from 2021 to 2050, the following Quick Wins are recommended.

Of primary importance is the need for deeper industry engagement so the administrator can better understand the nature of projects and the implications of how audit and compliance processes can undermine industry’s ability to deliver on the objectives of the scheme.

2.2.1 Quick wins

The following recommended Quick Wins would likely be undertaken by either the current administrator, a new administrator, and/or the NSW Government department responsible for the relevant policy (ie DPIE).

1. **Establish a customer service culture** recognising that delivery of the ESS objectives is wholly dependent on the businesses which deliver projects under the Scheme.
2. **Establish a formal appeals process** in such a way that secretariat staff recognise and respect the right of ACPs, Auditors and MVPs to administrative justice. *(While existing administrative review and judicial review processes are available (refer to IPART Fact Sheet – How to have an ESS decision reviewed, [12/12/19](#)), a simpler less costly process is needed, and one for categories of ESS decisions not available under current processes.*
3. **Create certificate set-aside provisions for contested certificates** and lift trading restrictions on non-disputed ‘certificates’ so ACPs can afford to appeal decisions.
4. **Establish KPIs for Administrator response times** to ACP, Auditor and MVP queries.

5. **Establish a customer query ticking system** for the Administrator and customers to track queries from ACPs, Auditors and MVPs in line with KPIs.
6. **Establish and adhere to a process for publishing decisions and their rationale** for any technical ruling on new accreditations, requirements, MVP and audit findings.
7. **Respect its own independent auditor and MVP decisions and establish a continual improvement process** to ensure overall consistency, confidence and quality of decisions. *(Currently, ESS auditors perform a statutory function on behalf of the scheme administrator, so audits are not independent of IPART. A key limitation of the current process is the lack of opportunity for industry to effectively engage with the administrator to explore project approaches that would be acceptable. Then at audit stage, there is no opportunity to discuss considerations face-to-face that may serve to educate all parties on reasonable considerations.)*
8. **Establish an audit technical committee** to review new cases and contested decisions with membership from the Administrator, auditors, MVPs, ACPs and the Department. *(Currently, IPART is not able to engage in this way with ACPs. However, DPIE could do so. This would support education as a number one compliance tool.)*
9. **Establish MVP technical committee** to review new cases and contested decisions with membership from the administrator, auditors, MVPs and ACPs and the Department. *(Currently, IPART is not able to engage in this way with ACPs. However, DPIE could do so. This would support education as a number one compliance tool.)*
10. **Enable a non-binary proportional approach to job compliance** where actual benefits delivered can be recognised where issues are unprecedented and non-fraud related. *(Currently, the audit and compliance process tends to rule that certificate creation in relation to a project is either fully valid or fully invalid: a pass/fail. There needs to be opportunity where the parties can engage and support a determination that supports meeting the objectives of the ESS. The current approach is too inflexible and does not support industry development.)*

2.2.2 Strategic priorities

The following recommended Strategic Priorities would likely need to be directed by the NSW government's department responsible for the relevant policy (ie DPIE).

1. **Review best practice Administration of SME market-based schemes** to identify appropriate administrator roles, responsibilities and supporting capabilities.
2. **Conduct a capability assessment of IPART and other NSW agencies** and identify that which is best suited for the required mission and supporting capabilities of ESS Administration.
3. **Identify any outstanding capability gaps in the preferred agency** and develop a transition plan to ensure continuity of administration and provision of new capabilities.
4. **Publicly consult** on the proposed roles, responsibilities and supporting functions of the Administrator.
5. **Formally identify an appropriate Scheme Administrator** and issue terms of appointment.

3 ESS audit regime needs to be streamlined

This section highlights that the audit ESS audit regime needs to be streamlined, particularly for more complex projects.

It is very costly for participants, lacks commercial pragmatism and flexibility with a ‘one-shot’ requirement to get things right, and an arduous and unbalanced review approach that can result in failure to create certificates.

This approach creates a major barrier to getting such projects over the line in a reasonable and effective manner and viable timeframe to meet commercial imperatives.

An overhaul to the audit approach would particularly assist with mobilising more projects under the PIAM&V method – especially if the administrator could consider multiple submissions for the same activity to bring funding forward. (The Victorian Energy Upgrades (VEU) program allows the same project to be submitted up to three times as more data becomes available over time of implementation. IPART requires 12 months of data prior to creation of certificates, which is a very hard to sell to persuade an energy customer to commit to undertake a project.)

4 Ideas for streamlining PIAM&V: reducing risk and costs

The ESIA recommends streamlining of the PIAM&V method to reduce the risks and costs for common activity types. Streamlining will support the objectives of the ESS being met.

More consultation and investment by government in expertise to develop PIAM&V is required as a priority.

Delivery of current and increased targets will require a significant increase in energy savings activity, in addition to lighting upgrades. A significant portion of untapped and cost-effective energy savings upgrade opportunities will need to be delivered under the PIAM&V method.

The ESIA commends the Government on developing the PIAM&V method which allows a robust and flexible way of calculating energy savings for a very wide range of activities. This flexibility ensures incentives are available for as wide a range of additional activities as possible and encourages continued innovation.

However, a byproduct of this flexibility is a higher level of complexity and uncertainty incurred than simpler (but limited) default savings methods. This in turn translates to higher compliance costs and regulatory risk, which put upward pressure on certificate prices necessary for PIAM&V activities to be viable.

3.1 Greater risk under PIAM&V

Under all NSW ESS methods, activity proponents take risks:

1. Risk, and bearing of the cost, of selling and implementing an activity to ESS requirements.
2. Risk of certificate price fluctuation.

Under the PIAM&V method, there are two more risks which result in higher costs than default savings factor methods:

3. **Risk that expected savings and the anticipated number of incentives won't be realised.**

Under default factor methods there are significant administrative costs incurred by proponents to demonstrate an activity has been implemented appropriately. But once this is demonstrated, they can be confident to receive the expected number of certificates because the Government takes responsibility for savings risk by assuming an average savings for a given activity, thereby spreading the risk across the market.

In comparison under PIAM&V, even if a project is implemented appropriately, individual projects may sometimes deliver less savings than anticipated and thereby provide lower incentives than expected. In aggregate, this means higher certificate prices are required to offset this risk to drive large numbers of additional PIAM&V projects.

4. Compliance risk.

Under default savings factor methods the evidentiary requirements for compliance are clearly stipulated in advance.

In comparison, the PIAM&V method provides the proponent with a high degree of discretion to choose what and how to measure, provided their approach is approved by a Measurement and Verification Professional (MVP) and the IPART. This discretion is crucial for providing the flexibility to drive innovation and new/unusual project types. However, it also introduces a level of risk for every implementation that the MVP and/or IPART will not approve the approach. Moreover, the PIAM&V method has a significantly greater reporting burden to provide the evidence MVPs and the IPART need to assess how savings are measured. In aggregate, this again means that to drive large numbers of additional PIAM&V projects, higher certificate prices are required to offset this risk and compliance costs.

For new or non-standard project types, these risks are unavoidable, and it is important that the PIAM&V method retains the flexibility to allow such projects.

3.2 Reduce risk with supplementary methods for common project types

Alternatively, the ESIA believes that for a number of common activities it is possible to streamline the PIAM&V method and reduce these risks, thereby allowing these activities and scheme targets to be delivered at lower costs. This could be achieved by developing supplementary PIAM&V methods for common project types.

Supplementary PIAM&V methods would significantly reduce risks and compliance costs. This in turn would allow high volumes of PIAM&V activities to be delivered at lower certificate prices than currently possible. To address these issues, the NSW ESS policy maker, DPIE has proposed to adopt an approach like that in place in California to stipulate the measured parameters for common and well understood activity types, for example Heating, Ventilation and Air Conditioning (HVAC) upgrades.

As such, the ESS could provide pre-approved PIAM&V plans and report templates that stipulate the measured parameters, measurement boundaries, metering approaches, and regression algorithms etcetera which will be accepted. This approach would enable project proponents to focus on ensuring required data is gathered and reported correctly (as they do with default methods), rather than demonstrating it was appropriate in the first place to collect the data.

In this way, proponents would be able to develop standardised implementation approaches for a sub-set of streamlined PIAM&V activities, helping to deliver them at greater scale and lower cost. The ESIA continues to recommend that the NSW Government retain the existing PIAM&V method to allow flexibility and innovation for new project types, until streamlined methods can be in turn developed.

5 Key principles to drive method development and maintenance

The ESIA recommends seven key principles to drive NSW ESS method development and maintenance. The principles will reduce the risks and costs discussed in Part 3 of this submission.

1. **Schemes should provide methods for as broad a range of additional energy savings activities as possible** to allow the market to find implementation solutions.
2. **Additionality should reflect the likelihood of an activity occurring in the absence of the scheme** – considering regulatory requirements, the baseline rates of equipment and building stock turnover and the proportion of the market which undertakes early energy savings upgrades in the absence of schemes.
3. **Methods should seek to allow the standardised estimation of the energy savings** that could reasonably be expected from an instance of that activity under normal conditions.
4. **Methods should provide for the estimation of savings and demonstration of implementation in the simplest, lowest cost way**, while providing assurance product and installation quality and safety and mitigation of gaming, proportional risk and impact.
5. **Savings deeming periods should be transparent and based on a factor of both the timeframes that equipment will last** and adjusted for the likelihood it would have been replaced in that period.
6. Where the savings from given activity can be measured by multiple methods, **measurement approaches should result in outcomes that are on average consistent.**
7. **Changes should be made to methods with sufficient notice so as to avoid unreasonable business disruption** (for example stranded investments in products and staff), which in turn would increase compliance costs to cover sovereign risk and drive exit from the market of suppliers the Government requires to deliver new activities. A minimum of 12 months' notice should be required for changes that have a material impact on the commercial viability of activities currently conducted under the scheme unless safety issues are at stake.

6 Further opportunities: new activities and methods

This section highlights opportunities identified by various Australian Governments and that will be considered in the ESIA submission to the DPIE Energy Security Target and Safeguard consultation paper due 22 June 2020.

Activities identified in the NSW EST and Safeguard: the energy efficiency opportunity list

The ESIA acknowledges the significant pool of opportunity identified by the NSW Government to save electricity (15,579.7 GWh) and gas (10.9PJ) in NSW through more than 500 energy efficiency activities across residential, commercial, SME and industrial sectors. (Source: <https://energy.nsw.gov.au/government-and-regulation/consultation/energy-security-target-safeguard>, Energy efficiency opportunity list)

Activities identified in the VEU RIS 2019

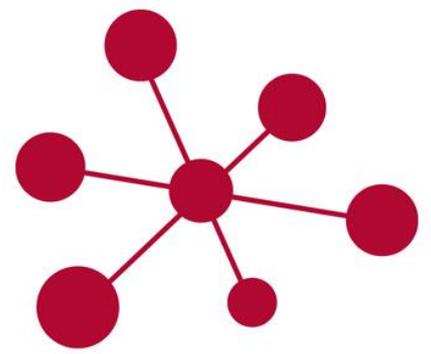
The following opportunities were included in the Victorian Energy Upgrades (VEU program) Regulatory Impact Statement 2019: 'Main activities projected for the 2021-2025 period ... Some of the key cost-effective measures identified', Dec 2019, p 83. (Source: <https://engage.vic.gov.au/victorian-energy-upgrades/targets>)

- Replacing a non-ducted gas heater with a variable refrigerant flow (VRF) air to air heat pump or split system air to air heat pumps
- Replacing a heating hot water (HHW) gas boiler with either a ground to water heat pump, an air to water heat pump or a water to water heat pump
- Installing a 100kw+ rooftop solar photovoltaic (PV) system
- Replacing a low-efficiency gas boiler with a high efficiency gas boiler
- Installing smart thermostats for ducted gas space heaters
- Integrated and disaggregated whole of building energy management and information systems (EMS).
- Upgrading or introducing electricity meter interface and appliance/webs services
- Introducing smart diverters for electric hot water storage systems to utilise excess solar energy produced by behind the meter rooftop solar PV systems.
- Upgrading IT equipment linked cooling systems
- Upgrading refrigeration EMS

Other recommendations from ESIA

- Rooftop solar behind-the-the meter, *with ability to export*
- More fuel switching: including to renewable fuels, and including from grid electricity, natural gas or LPG to biogas or biomass fuels.

For more information regarding this submission, please email comns@esia.asn.au



public interest
ADVOCACY CENTRE

PIAC submission to the NSW Energy Savings Scheme- Draft Statutory Review Report

13 May 2020

About the Public Interest Advocacy Centre

The Public Interest Advocacy Centre (PIAC) is an independent, non-profit legal centre based in Sydney.

Established in 1982, PIAC tackles barriers to justice and fairness experienced by people who are vulnerable or facing disadvantage. We ensure basic rights are enjoyed across the community through legal assistance and strategic litigation, public policy development, communication and training.

Energy and Water Consumers' Advocacy Program

The Energy and Water Consumers' Advocacy Program (EWCAP) represents the interests of low-income and other residential consumers of electricity, gas and water in New South Wales. The program develops policy and advocates in the interests of low-income and other residential consumers in the NSW energy and water markets. PIAC receives input from a community-based reference group whose members include:

- NSW Council of Social Service;
- Combined Pensioners and Superannuants Association of NSW;
- Ethnic Communities Council NSW;
- Salvation Army;
- Physical Disability Council NSW;
- Anglicare;
- Good Shepherd Microfinance;
- Financial Rights Legal Centre;
- Affiliated Residential Park Residents Association NSW;
- Tenants Union;
- The Sydney Alliance; and
- Mission Australia.

Contact

Thea Bray
Public Interest Advocacy Centre
Level 5, 175 Liverpool St
Sydney NSW 2000

T: (02) 8898 6550
E: tbray@piac.asn.au

Website: www.piac.asn.au



Public Interest Advocacy Centre



@PIACnews

The Public Interest Advocacy Centre office is located on the land of the Gadigal of the Eora Nation.

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Summary of recommendations

Recommendation 1

Expand the list of eligible residential activities in the ESS, prioritising activities which improve the thermal performance of dwellings and create the biggest savings.

Recommendation 2

Set a household target for the ESS to ensure a higher number of residential retrofits are undertaken.

Recommendation 3

Create incentives, such as a constraint area factor, to encourage ESS services in areas which would benefit most from a reduced load.

Recommendation 4

Set a sub-target for the ESS to ensure inclusion of low income households. Eligibility criteria should be broader than just concession card holders and include people in retailer hardship programs and holders of Low Income Health Care Cards.

Recommendation 5

Additional financial support should be included for low income participants as well as access to No Interest Loans to repay upfront costs in manageable ways.

Recommendation 6

Coordinate the ESS with other energy efficiency programs such as the Trajectory for Low Income Homes, energy efficiency disclosure at time of sale/lease and minimum rental standards to develop the market for certificates, improve the uptake rates of the ESS and increase its impact.

Recommendation 7

Match or refer participants of ESS to other programs such as the Appliance Replacement Offer, Empowering Homes Program and Energy Switch and vice versa to enhance uptake of all programs and outcomes for households.

1. Introduction

PIAC supports the Energy Saving Scheme (ESS) as a mechanism to deliver energy savings for NSW households.

Energy efficiency is an effective way to provide financial benefits to households who have energy saving actions undertaken as well as, to a lesser degree, all households due to network savings. Energy bills continue to be of high concern for NSW households and ways to alleviate this cost of living pressure should be a priority for the NSW Government.

As well as being a climate mitigation tool, when steps are taken to make dwellings more comfortable and resilient during extreme temperatures energy efficiency is an essential climate adaptation tool. Heating and cooling are usually the largest component of a household's energy use, and with a changing climate and the projections of more extreme weather, households are likely to pay even more to keep their homes comfortable. To address this, the ESS should include and prioritise energy efficiency measures which improve the thermal performance of a dwelling as well as the replacement of old, inefficient heaters and air conditioners. This would reduce energy use as well as help protect the health of people who limit their use of mechanical heating or cooling beyond what is comfortable or safe for them to save money.

A substantial energy efficiency retrofit program delivered via the ESS would be a powerful post COVID-19 stimulus project that would deliver long term benefits to households, create jobs and economic activity as well as contribute to addressing climate change. The ESS could be linked to other programs such as the Trajectory for Low Income Homes, energy efficiency disclosure at time of sale/lease and minimum rental standards. This would help remove barriers to energy efficiency uptake and produce myriad benefits for households and the economy.

2. Objective 1 – to create a financial incentive to reduce the consumption of electricity by encouraging energy saving activities

2.1 Whether the policy objectives are being met

This objective is only being partially met because the ways households can benefit and the number of households who can directly benefit are limited.

2.1.1 Limited number of activities

While businesses can benefit from a number of activities in the scheme, currently the only measure households can access is halogen downlight replacement and this is further limited by upfront costs and minimum requirements.

At least one approved ESS supplier (the only supplier we found on the ESS website who is active in Sydney) requires a minimum of 15 halogen lights to replace, limiting participation to people with larger homes and/or homes with many downlights (which tend to be newer homes).

This supplier has an upfront cost of at least \$284.85 (15 lights changed at \$18.99 each). This upfront cost would be difficult to manage for many low income households and may exclude them from participating. For renters, even if the upfront cost could be managed, there is no guarantee they will benefit from the lifetime savings of the lights, reducing their incentive to participate.

Lighting is not the 'low hanging fruit' in energy efficiency that it once was, as many households already have energy efficient lights. Thus lighting does not generally represent a large portion of a residential energy bill and improving lighting alone will not achieve substantial energy savings.

Replacement of air conditioners broadened the scheme somewhat (particularly with a goal to remove barriers to eligibility for many households), but it is noted this activity has been suspended.

Additional activities need to be introduced to the ESS to achieve broader energy savings and assist more households. In particular, activities which improve the thermal performance of homes (and keep their occupants safer in weather extremes) and measures which generate the largest energy savings, such as replacement of mechanical heating and cooling appliances and hot water heaters, should be prioritised. Additional assistance should be provided to ensure low income households can access these activities. Activities could include:

- weather sealing;
- insulation;
- thermally efficient window treatments;
- reverse cycle air conditioners;
- non-fixed efficient heaters to replace inefficient (and less safe and healthy) heaters such as fan heaters;
- heat pump or solar water heaters to replace electric water heaters;
- switching appliances from gas to efficient electric (and disconnecting gas where practical and cost effective);
- stand by controllers;
- in home energy display units;
- large appliance swaps, such as fridges; and
- electric vehicle charging infrastructure.

Recommendation 1

Expand the list of eligible residential activities in the ESS, prioritising activities which improve the thermal performance of dwellings and create the biggest savings.

2.1.2 Services are available in limited areas

There appear to be few approved suppliers providing services to households and in many parts of NSW, the service for households appears to be unavailable. PIAC entered various NSW postcodes into the 'Find an Approved supplier in your area' for household services on the ESS website and found there are substantial areas of NSW where there are no service providers, including in large residential areas such as Wollongong.

To improve this, a target number of households to reach should be set so the benefits of the scheme are less skewed towards commercial upgrades.

Recommendation 2

Set a household target for the ESS to ensure a higher number of residential retrofits are undertaken.

Energy system benefits can be increased if energy saving activities are undertaken in areas where there are constraint issues. Additional incentives, such as a high constraint area factor should be implemented. As constrained areas are often regional, this would also help address the issue of low service provision in some regional areas.

Recommendation 3

Create incentives, such as a constraint area factor, to encourage ESS services in areas which would benefit most from a reduced load.

2.1.3 Ways to make the program more inclusive

Households which stand to benefit most from energy efficiency measures are the least likely to participate, often because they cannot afford the upfront cost or do not have appliances which qualify. The Report notes there are other NSW Government programs which are targeted at low income households. However, these programs have eligibility requirements, such as having a concession card, which means other low income households are unable to access energy savings programs. Many of these households, such as working families and renters, have limited capacity to control their energy usage and struggle to pay their energy bills and would benefit from participating in the ESS.

To make the ESS more inclusive for NSW households, mechanisms to overcome barriers to participation need to be introduced. A target for low income households would ensure the inclusion of households most in need. Eligibility should be broader than concession card holders to include people who are in a retailer hardship plan and holders of the Low Income Health Care Card.

Recommendation 4

Set a target for the ESS to ensure inclusion of low income households. Eligibility criteria should be broader than just concession card holders and include people in retailer hardship programs and holders of Low Income Health Care Cards.

The upfront cost of energy efficient products is a barrier to more households participating and benefiting. Additional financial support should be included for low income participants, as well as access to No Interest Loans to repay upfront costs in manageable ways.

Recommendation 5

Additional financial support should be included for low income participants as well as access to No Interest Loans to repay upfront costs in manageable ways.

Coordinating the ESS with other energy efficiency programs such as the Trajectory for Low Income Homes, energy efficiency disclosure at time of sale/lease and minimum rental standards would develop the market for certificates, reduce customer acquisition costs and increase the uptake rates and impact of the ESS. Coordinating with the Trajectory for Low Income Homes

would provide a good starting point for people who have had an assessment scorecard undertaken to begin to improve the energy efficiency of their home. Coordinating the ESS with energy efficiency disclosure at time of sale/lease would incentivise property owners to undertake ESS measures in time for a sale or lease, while coordinating it with minimum rental standards would help address the split incentive barrier for energy efficiency uptake in rental properties.

Recommendation 6

Coordinate the ESS with other energy efficiency programs such as the Trajectory for Low Income Homes, energy efficiency disclosure at time of sale/lease and minimum rental standards to develop the market for certificates, improve the uptake rates of the ESS and increase its impact.

Participating households can save more and the ESS can be more effective by matching households with other energy saving programs they are eligible for (such as the Appliance Replacement Offer and Empowering Homes Program) as well as Service NSW's Energy Switch. Participants in these programs should likewise be referred to the ESS services as appropriate.

Recommendation 7

Match or refer participants of ESS to other programs such as the Appliance Replacement Offer, Empowering Homes Program and Energy Switch and vice versa to enhance uptake of all programs and outcomes for households.

2.2 Whether the policy objectives remain valid

The barriers to increasing energy efficiency for households remain, particularly the financial barriers of upfront costs and rental split incentives.

3. Objective 2 (a) – to assist households and businesses to reduce electricity consumption and electricity costs

3.1 Whether the policy objectives are being met

Although there are overall benefits for NSW energy consumers and participating households can make more substantial bill savings, many households miss out on assistance to reduce their electricity consumption and electricity costs.

The ESS would more effectively meet this objective if:

- there were more activities to increase savings;
- more areas were covered by suppliers;
- there were residential targets;
- there were targets for low income households and assistance for households who cannot afford the upfront cost;
- the scheme was coordinated with other energy saving programs; and
- participating households were informed about how to use their energy saving equipment effectively.

3.2 Whether the policy objectives remain valid

This objective should be changed from 'electricity consumption and electricity costs' to 'energy consumption and energy costs' so gas is included. Without this change there is the potential for a perverse outcome where inefficient gas appliances are not included. This is particularly important giving the changing relative costs (both up-front and ongoing) that increasingly favours electric over gas appliances.

Energy bills remain a pressing concern for households and energy efficiency remains a crucial means to reduce energy consumption (which has overall system benefits) and energy costs.

There are other non-financial barriers the ESS needs to address, including information about which upgrades could be made, how to go about choosing upgrades, and having a trustworthy supplier/installer.

4. Objective 2 (b) – to complement any national scheme for carbon pollution reduction by making the reduction of greenhouse gas emissions achievable at a lower cost

4.1 Whether the policy objectives are being met

The ESS could coordinate with national schemes to more effectively reduce greenhouse gas emissions and assist with Australia's international emissions reductions obligations.

For many households the upfront cost of solar or heat pump water heaters is out of reach, even with the Small-scale Renewable Energy Scheme (SRES). Efforts to improve energy efficiency in NSW could be improved if the focus shifted from replacing appliances with a similar appliance (which is particularly a problem in residential tenancies) to replacing inefficient technologies (such as electric hot water systems) with efficient technologies (such as solar or heat pump hot water systems). The ESS could be used as a mechanism to enable this, and work with the SRES to achieve it.

The ESS should also coordinate with the national Trajectory for Low Energy Homes. As the Trajectory scheme progresses, certain actions which are recommended through the Residential Energy Scorecard (or whatever the final delivery tool may be) could form part of the ESS to remove as many barriers to households implementing energy efficiency as possible.

4.2 Whether the policy objectives remain valid

Federal requirements to reduce greenhouse gas emissions as part of the Paris Agreement remain. Energy efficiency is still an important way to cost effectively meet these requirements.

5. Objective 2 (c) – to reduce the cost of, and the need for, additional energy generation, transmission and distribution infrastructure

5.1 Whether the policy objectives are being met

The ESS has reduced the need for additional energy infrastructure through overall energy savings. It would be more effective if it also addressed network constraints in certain areas, including some more remote and regional locations. This could be achieved by introducing a factor to incentivise service providers undertaking work in areas of network constraint.

5.2 Whether the policy objectives remain valid

Many NSW households, particularly in regional areas, will see increased network costs on their bills in future because of an excessive regulated asset base brought on by historically higher-than-necessary reliability standards and the anticipated significant increase in transmission spending. Reducing energy use overall remains an effective way to reduce the cost of, and need for, additional energy generation, transmission and distribution infrastructure.

6. Whether the overall scheme design remains appropriate for securing those objectives

The scheme as it is currently functioning has a residential offering which is too limited to be effective. However:

- The potential for energy efficiency remains high and the scheme can meet its objectives with more approved activities.
- Household targets should be set and barriers removed to enable a greater number of households to participate and benefit from the scheme, including low income households, renters and those in regional areas.
- When PIAC attempted to find ESS services for households via the ESS website, it found that where there was a service provider, there wasn't more than one operating in an area, including in Sydney. The limited number of service providers for households across the state indicates the scheme may not be operating in an optimal manner.
- Coordinating with other government programs will improve uptake and the effectiveness of the ESS.

Low cost greenhouse gas emissions reductions continue to be required to meet Australia's international climate obligations and the ESS has further potential to assist in meeting this goal.

NSW households face future additional network costs on their bills. Energy efficiency remains a cost-effective way to reduce the need to increase generation, transmission and distribution infrastructure. These savings can be particularly cost effective if they are undertaken in areas of constraint.

The ESS can help stimulate the economy following the COVID-19 pandemic. With some reconfiguring, for example by encouraging accreditation for social enterprises to participate, the scheme could help boost employment, including in regional areas. Including the ESS in COVID-19 economic recovery could help rebuild the economy while reducing greenhouse gas emissions. It would also generate long term savings for households and support homes which are healthier and more comfortable during temperature extremes.

7. Continued engagement

PIAC would welcome the opportunity to meet with the Department and other stakeholders to discuss these issues in more depth.

COMPLETE

Page 1: Have your say on the Draft Energy Savings Scheme Statutory Review Report

Q1

I understand that survey responses will be published.

Acknowledgement

Q2

Please provide your contact details (required for verification purposes, contact details will not be published)

Name **Sarah Paparo**

Company **ERM Power**

Address

City

State

Postcode

Email Address

Phone Number

Page 2: Have your say on the Energy Savings Scheme Draft Statutory Review Report

Q3

Objective 1 - to create a financial incentive to reduce the consumption of energy by encouraging energy saving activities.

ERM Power (ERM) welcomes the opportunity to comment on the NSW Energy Savings Scheme Draft Statutory Review Report published by the Department of Planning, Industry & Environment (DPIE). As both a retailer and an accredited certificate provider (ACP), ERM is well placed to comment on the NSW Energy Savings Scheme (ESS).

We agree that the objective of the ESS is to overcome market barriers in terms of split incentives, biases towards short term priorities, liquidity constraints, high transaction costs, and information asymmetries. As noted in the consultation paper, while the ESS has been successful in transforming the lighting market, barriers persist in other energy efficiency markets in NSW. We agree that, as a large-scale market-based scheme, the ESS can help transform these markets by providing certainty for service providers to develop business models that are scalable and sustainable.

From a retailer's perspective, the ESS offers many advantages compared to other state programs. Being certificate-based, the ESS provides clear guidance to the value of activities, driving price discovery and efficient pricing so that retailers are able to offer competitive products that help customers to reduce energy usage and thereby energy costs, as well as assisting in the achievement of customers' sustainability targets.

However, as an ACP, we also appreciate the challenges associated with certificate creation and we consider that, for the ESS to realise its full potential, it should be administered as effectively as possible. In this regard, we think there is scope for improvement in terms of:

- Coordination and consistency across policy design and scheme enforcement;
- Holistic adoption of leading standards and practices from comparable jurisdictions; and
- Efficient and proportionate auditing and compliance processes.

The compliance burden associated with the ESS has expanded considerably in recent years, and uncertainty around measurement and verification standards persist. We suggest further efficiencies could be achieved by reducing the audit requirements on obliged retailers, particularly when liabilities can be assessed with AEMO data. This could be achieved with the duration between audits extended to at least every second compliance year, rather than auditing every compliance year.

We consider that the ESS has great scope to reduce energy consumption via financial incentives. It is therefore important to address the administrative issues above so that that the ESS can realise its full potential.

Q4

Objective 2 (a) - to assist households and businesses to reduce energy consumption and energy costs

We agree that the ESS has been effective in assisting households and businesses to reduce electricity consumption and cost by delivering energy and bill savings for participating households and businesses and exerting downward pressure on electricity prices for all customers in NSW.

However, we reiterate our comments above in relation to Objective 1, namely that the ESS could be made more effective by addressing issues associated with its administration. A more effective scheme will provide more assistance to households and businesses to reduce energy consumption and energy costs.

Q5

Objective 2 (b) - to complement any national scheme for carbon pollution reduction by making the reduction of greenhouse gas emissions achievable at a lower cost

While we acknowledge Australia's emission abatement obligations under the Paris Agreement and the Australian Government's Emissions Reduction Fund (ERF), we do not consider that there is targeted and measurable action towards energy efficiency at a federal level.

We agree that many energy efficiency upgrades reduce emissions while delivering a positive net economic benefit, and that energy efficiency therefore provides low-cost emissions abatement opportunities. However, we are concerned that the discrepancies between the various state schemes creates confusion, uncertainty, and a heavy compliance burden for participants.

The key advantages of a national energy efficiency scheme relate to the operational efficiencies and economies of scales that can be achieved, compared to participating in several state-based schemes with different requirements. We therefore consider that a harmonised national certificate scheme would be the optimum approach to incentivise energy savings. In this regard we note ongoing efforts to harmonise the ESS with the Victorian Energy Upgrades Program (VEU) and suggest that the best means of making the reduction of greenhouse gas emissions achievable at a lower cost is via a harmonised energy savings certificate scheme operating across Australia.

Q6

Objective 2 (c) - to reduce the cost of, and the need for, additional energy generation, transmission and distribution infrastructure.

We agree that the ESS has reduced the cost of and need for additional new energy system infrastructure insofar as it has reduced electricity consumption (and therefore the cost of and need for new generation infrastructure), and peak demand (and therefore the cost of and need for additional peaking plant as well as additional transmission and distribution infrastructure). We agree that this has helped improve the reliability and security of electricity supply in NSW.

However, we reiterate our comments above in relation to Objective 1, namely that the ESS could be made more effective by addressing issues associated with its administration. A more effective scheme will more significantly reduce the cost of, and need for, additional energy generation, transmission and distribution infrastructure. We also reiterate our comments above in relation to Objective 2(b) and note that a national certificate scheme for energy savings would best reduce the need for additional energy infrastructure that services the National Electricity Market.

COMPLETE

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Page 1: Have your say on the Draft Energy Savings Scheme Statutory Review Report

Q1

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Acknowledgement

Q2

Please provide your contact details (required for verification purposes, contact details will not be published)

Name	Caetano Mantovanni
Company	Ecovantage
Address	
City	
State	
Postcode	
Email Address	
Phone Number	

Page 2: Have your say on the Energy Savings Scheme Draft Statutory Review Report

Q3

Objective 1 - to create a financial incentive to reduce the consumption of energy by encouraging energy saving activities.

Findings provided in the Draft Report provide strong evidence that the ESS is meeting its objectives and that they remain valid. Ecovantage supports the Review approach that the broad scheme design as a market-based certificates scheme remains appropriate. Ecovantage commends the NSW government for recognising that the ESS, as a large-scale market-based scheme, can help transform energy efficiency markets, due to ongoing uptake barriers, by providing a long term framework that enables service providers to develop business models that are scalable and sustainable. Also, that the ESS remains a major initiative that supports NSW reducing energy consumption while stimulating strong economic growth.

Q4

Objective 2 (a) - to assist households and businesses to reduce energy consumption and energy costs

Ecovantage supports this claim.

The ESS has, so far, been the most inclusive scheme in Australia. It has made possible for all size businesses and households to take advantage of more energy-efficient products. It has also supported service providers like Ecovantage, to create robust business models to support businesses and households in NSW.

As per the draft report findings, the ESS has delivered the equivalent of 4% of grid-supplied electricity through low-cost energy-efficient upgrades. This will have a long last impact on the energy costs for all scheme participants (customers) and will support the creation of jobs and economic development in NSW.

Q5

Objective 2 (b) - to complement any national scheme for carbon pollution reduction by making the reduction of greenhouse gas emissions achievable at a lower cost

The ESS has delivered the lowest cost of abatement of all schemes ever been created by state of the federal government in Australia. This has been achieved through its market-based mechanics which substantially incentivises businesses and households to move to more energy-efficient products. It has also delivered the long term benefit to a much broader range of consumers than any other scheme. This has also impacted the scope and scalability of the scheme delivering a considerable lower cost of abatement.

Q6

Objective 2 (c) - to reduce the cost of, and the need for, additional energy generation, transmission and distribution infrastructure.

In 2019 electricity consumption savings from the ESS were equivalent to 4% of grid-supplied electricity (p17). This provides a significant contribution to reducing wholesale electricity prices, residential and commercial energy bills and greenhouse gas emissions, the need to invest in energy infrastructure - including poles and wires and new peaking plant - to offset the closure of the Liddell and Vales Point coal-fired power stations scheduled for decommissioning in the next decade. Energy savings available with gas upgrades and fuel switching from gas will play an increasing role in addressing gas supply shortfalls predicated within the next decade.

COMPLETE

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Page 1: Have your say on the Draft Energy Savings Scheme Statutory Review Report

Q1

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Acknowledgement

Q2

Please provide your contact details (required for verification purposes, contact details will not be published)

Name

bill stinson

Company

liberal party member

Address

City

State

Postcode

Email Address

Phone Number

Page 2: Have your say on the Energy Savings Scheme Draft Statutory Review Report

Q3

Objective 1 - to create a financial incentive to reduce the consumption of energy by encouraging energy saving activities.

For Australian businesses to be competitive again it is not financial incentives that are required but sustainable, affordable and reliable energy supply.

The COVID-19 pandemic has starkly demonstrated Australia's reliance on a supply chain that is not in Australia's best interests.

Australian businesses have been crushed by artificially high energy prices because of subsidies paid to renewable energy companies, the vast majority of which are owned by overseas interests.

Senator Concetta Fierravanti-Wells last Sunday, used a telling example of the ludicrous supply chain situation currently existing, by referring to a situation where hand sanitizer, which is manufactured in Australia, had supply to market severely constrained because plastic containers, manufactured in China, are in short supply. The stupidity of this situation is highlighted by the fact that a plastic recycling company (Plastic Granulating Services) in South Australia was forced to close down its operation in 2017, because of high energy costs (its monthly power bills had increased from \$80,000 to \$180,000 over 18 months!!!!!!). A further result of this stupidity was that 35 employees lost their jobs.

I believe that there is no better time for the Federal Government to implement an Energy Action Plan.

To that end, I suggest the following:

- o Immediately reduce energy prices to take pressure off household budgets, protect jobs and restore competitive advantage to Australian businesses
- o Ensure absolute reliability of power for Australians for cooking, heating, cooling, lighting and electrical appliances including computers and TVs and for Australian businesses
- o Remove subsidies which artificially force up the price of energy and undermine the viability of reliable, base load, coal fired power stations
- o Implement the building of high energy, reliable, low emission coal fired power stations to take advantage of Australia's high quality coal reserves
- o Bring Australia into alignment with its neighbours and major trading partners – China, India, Indonesia, Vietnam, Japan, South Korea, Pakistan and the Philippines – where collectively every week a new coal fired power plant is coming on line – and into alignment with the fact that worldwide 1,500 coal fired coal plants were being constructed or in various stages of development in 2019 and the fact that this is the Asian century and what is done in Asia is far more important than what is done in Europe
- o Bring Australia's resource use policy into alignment with the policies of other resource rich countries – the USA, Russia, China, India, Saudi Arabia, Kuwait, Qatar, Iran, Iraq and the central Asia countries – Kazakhstan, Uzbekistan, Kyrgyzstan, Tajikistan, Turkmenistan
- o In the longer term introduced nuclear powered energy supply

Q4

Objective 2 (a) - to assist households and businesses to reduce energy consumption and energy costs

See my response to Objective 1

Q5

Objective 2 (b) - to complement any national scheme for carbon pollution reduction by making the reduction of greenhouse gas emissions achievable at a lower cost

This is based on the false premise that Carbon Dioxide (CO₂) is carbon pollution.

The Federal and State Governments should introduce policies to:

- 1 Stabilise the provision of base load power to ensure reliable, affordable and sustainable energy for major business energy consumers such as aluminium producers, by legislating to prolong the life of Australia's base load power plants
- 2 Abandon all action in relation to the reduction of CO₂ emissions given that the Chief Scientist has stated that whatever we do in Australia will have virtually no effect on global temperature
- 3 Urgently promote the construction of HELE coal fired power stations to ensure provision of increased base load power using Australia's abundant reserves of Anthracite, the highest quality of coals with the lowest ash content.
- 4 Investigate the use of nuclear energy to provide base load power and repeal all laws which prevent the use of Australia's abundant reserves of uranium for energy production

Q6

Objective 2 (c) - to reduce the cost of, and the need for, additional energy generation, transmission and distribution infrastructure.

Why are coal fired power stations unfairly punished by having to compete with subsidised wind, solar and other renewables? Coal is compressed solar energy. It is produced through the process of photosynthesis and high compressive forces. Australia is fortunate to have an abundance of Anthracite, the highest ranking of coals, with the highest energy density and lowest ash content.

Australian businesses and the Australian people are suffering because of the global warmist campaign to denigrate coal and also the failure to build high energy low emissions coal fired power stations using our abundance of Anthracite.

If Australia is to be export competitive we need reliable, affordable and sustainable energy.

The recent Michael Moore documentary "Planet of the Humans" exposes the renewable industry for its false promises, excessive costs and failed infrastructure. It exposes the environmental degradation of our planet especially by referring to biomass energy production as "renewable energy". Woody biomass is not carbon neutral and emits more carbon dioxide than fossil fuels when burnt. It would be more beneficial to leave forests in place for carbon dioxide sequestration rather than use them for biomass. In regard to the carbon neutral point of biomass, the lag time between the burning of the biomass and the reforestation to enable carbon dioxide sequestration is extreme. In Moore's documentary it shows that in many instances there is no reforestation many years after the forests have been decimated.

Similarly the production of biofuels deprives significant areas of agricultural land being able to be used for food production.

Sleepers awake!
