

Mr Stephen Proctor
A/Director, Program and Market Development - Safeguard
Office of Energy and Climate Change
Submitted electronically



3 November 2022

Re: ESS 2022 Draft Rule

Dear Stephen,

Thank you for the opportunity to comment on the 2022 Energy Savings Scheme (ESS) Draft Rule.

The Energy Efficiency Council (EEC) would like to express support for the inclusion of fuel switching in the Energy Savings Scheme. Feedback from our members indicates that a number of projects could use this method to help improve the business case for moving to less expensive and emissions-intensive energy sources.

While the EEC has no particular comments on the technical issues outlined in the consultation paper, it may be worth reconsidering the provision of incentives for substituting biomass, biogas or biofuels for processes currently powered by electricity. In the transition to net zero, electricity is likely to be the most readily-available low-emissions fuel by the end of the decade, and activities that can use low-emissions electricity should do so.

Bio-based fuels are likely to be increasingly valuable as low-emissions fuels for processes that cannot be adequately electrified. It may not be in the interests of the overall transition to incentivise processes that add additional demand for relatively low-abundance bioenergy resources, if the activity can be satisfactorily powered by electricity.

Further, while we understand the paper's statement that fuel-switching activities may lead to a lessening of efficiency but overall non-renewable fuel consumption will decrease, the EEC encourages the Government to take every opportunity to incentivise efficiency wherever possible. Combining fuel-switching with improving efficiency – particularly electrification – has the potential to deliver rapid decarbonisation outcomes while reducing energy bills, increasing energy security and improving productivity.

In addition, the EEC strongly supports expanding the use of NABERS building ratings in additional building types, and welcomes initiatives that can improve the business case for building owners in warehouses and cold storage. We further note that there could be opportunities beyond NABERS energy improvements in these sectors – such as dynamic demand response to support the energy grid - that could be captured in the Peak Demand Response Scheme.

Please do not hesitate to contact me at alex.stjohn@eec.org.au or on 0413 698 181 if I can provide any further information.

Yours sincerely

A handwritten signature in dark ink, appearing to read "Alex St John". The signature is fluid and cursive, with the first letters of the first and last names being capitalized and prominent.

Alex St John
Acting Head of Policy, Energy Efficiency Council