Summary of the CoAG National Strategy on Energy Efficiency, July 2009

The sections below summarise the key themes, with identified elements and indicatives pathways for delivery. Please refer to the Strategy document in full for more detail.

1. Assisting households & businesses to transition to a low-carbon future

1.1. Industry & Business

1.1.1. Support businesses in improving their energy efficiency:

- Continue an enhanced Energy Efficiency Opportunities (EEO) program and extend elements of the program to smaller users.
- Provide targeted support to fund energy efficiency assessments in selected industry sectors via the Climate Change Action Fund (CCAF).
- Support businesses to identify and implement high energy saving energy efficiency opportunities.
- Implement initiatives to improve the effectiveness of energy efficiency support programs targeted at small and medium sized enterprises (SMEs).
- Provide seed funding through an Energy Efficiency Trust (the Australian Carbon Trust) to demonstrate innovative funding models and projects in existing commercial buildings and other business operations.

1.1.2. Ensure adequate knowledge, skills and capacity for a low carbon economy.

Identify skills gaps to address skills shortages including in energy auditing and advisory services and energy-using corporations.

Promote best practice and innovation through case studies via the CCAF.

1.1.3. Maximise the potential for the application of co-generation, tri-generation and other distributed generation technologies that increase energy efficiency.

Deliver a national forum in Q4 2009 to explore the associated technical, regulatory and commercial policy issues. Information and assistance requirements to be identified by / after the forum.

1.2. Skills & Training

1.2.1. Develop the National Energy Efficiency Skills Initiative (NEESI), for approval and implementation in 2010.

1.2.2. Strengthen national capability in energy auditing and assessment.

- Rationalise existing energy efficiency audit and assessment processes with the aim of achieving nationally consistent approaches and requirements.
- Align building assessment metrics with outcomes from the national building energy efficiency rating and assessment framework.
- Review Australian and New Zealand Standards AS/NZ 3598:2000 and AS/NZS 3598:2000.

1.3. Advice & Education

1.3.1. Ensure access to clear and consistent information on: energy efficient products and services; reducing energy consumption; and incentives.

- Establish an energy efficiency element in the Australian Government's web portal.
- The Energy Savings Pledge Fund (via the Australian Carbon Trust) will provide tools to enable households and businesses to identify emission reductions and dollar savings to be gained from reducing energy use. Individuals and households will be able to pledge resulting savings, or any other amount, which will be used by the pledge fund to purchase and retire carbon pollution permits. This will contribute to enabling emission reductions beyond Australia's national targets.

1.3.2. Develop nationally consistent communications campaigns designed to change community attitudes and behaviours in relation to energy efficiency.

- Establish and maintain a register of public awareness campaigns and information material potentially available for use across jurisdictions.

1.3.3. Implementation of benchmarking in consumer energy bills.

1.3.4. Showcase and promote energy efficiency technologies and energy conservation measures.

- Use community and government buildings and educational facilities to showcase new technologies.
- Establish a network/partnership of key research institutions to promote the development of energy efficient technologies.

1.4. Data

1.4.1. Improve data upon which national and jurisdictional energy efficiency policy development, reporting and benchmarking can be based.

- The NFEE Energy Efficiency Data Project (EEDP) working group will develop a paper by the end of 2009 proposing a package of new data activities to support this measure.
- The Australian Bureau of Statistics (ABS) will conduct a major one-off Energy, Water and Environment Survey of 15,000 businesses across Australia in August 2009. This will provide baseline data for the 2008–09 financial year and collect information on energy use, energy efficiency activities and the use of renewable technologies. The survey will support the integration of financial data with energy use and activity data to enable the compilation of energy efficiency indicators.

2. Reducing impediments to the uptake of energy efficiency

2.1. Electricity Markets

2.1.1. Consider the effectiveness of the electricity market in bringing forward demand-side energy efficiency measures.

- The current Australian Energy Market Commission (AEMC) Demand Side Participation Review is aimed at identifying obstacles in the rules to efficient demand-side participation and options for addressing these barriers where there are benefits in doing so.

2.1.2. Assist the transition to a low carbon economy by encouraging a smarter and more efficient energy network.

- Commission a pre-deployment study benefits of smart grid technologies and proposed business model and governance arrangements which would maximise the benefits of the National Energy Efficiency (Smart Grid, Smart City) Initiative, taking account of MCE decisions on the roll-out of smart meters and the current work of the AEMC.
- Seek proposals from industry consortia; and assess proposals for smart grid trial.

2.2. Appliances and equipment

2.2.1. Accelerate and expand the current Minimum Energy Performance Standards (MEPS) and labelling program.

- Expand MEPS significantly into the industrial equipment sector to cover off-the-shelf products in areas such as: compressors, boilers, industrial chillers, pumps and fans, heat exchangers and refrigeration equipment.

2.2.2. Establish national legislation for MEPS and labelling, and over time move to add Greenhouse and Energy Minimum Standards (GEMS).

2.2.3. Phase-out inefficient lighting products in the Australian market, commencing with incandescent globes

- Import restriction on inefficient incandescent general lighting service lamps began February 2009. Retail sales ban scheduled to commence in November 2009.
- Implementation of MEPS for incandescent and compact fluorescent lamps commences from November 2009.
- The 10-year Greenlight Australia strategy (2005–2015) for improving the efficiency of lighting in Australia will be updated in consultation with Lighting Council Australia and other key stakeholders by end of the first quarter of 2010.

2.2.4. Phase-out of inefficient and greenhouse intensive hot water systems

- Phase-out of electric resistance water heaters commences in 2010.
- MEPS will be used to regulate remaining technologies, with mandatory labelling of gas, solar and heat pump water heaters.

2.2.5. Develop and implement additional consumer information programs

2.3. Transport

2.3.1. Develop a package of measures to improve the fuel efficiency of the Australian vehicle fleet.

- Undertake a detailed regulatory impact analysis for introducing CO2 emission standards for light vehicles.
- Develop and deploy the 'Truck Buyers Guide' on the Green Vehicle Guide website.
- Co-ordinate on-line information for low- emission technologies for commercial vehicle operators.

2.3.2. Encourage the domestic car manufacturing industry to develop and build more efficient passenger motor vehicles.

- The Green Car Innovation Fund was launched on 24 April 2009 with a public call for applications. The Fund is a competitive merits based program administered by AusIndustry. Payments will commence from 1 July 2009.

2.3.3. Introduce voluntary measures to improve the performance of heavy vehicle fleets.

- Pilot a SmartWay-style voluntary emissions reduction program involving the freight industry.

2.3.4. 2.3.4 Introduce voluntary measures to improve the performance of passenger vehicle fleets.

2.3.5. Develop an effective Australian eco-driving program.

3. Making buildings more efficient

3.1. Consistency in standard setting and performance assessment frameworks

3.1.1. Develop a national building energy standard setting, assessment and rating framework to be implemented in 2011.

This framework will:

- apply to new and existing building stock;
- cover all classes of commercial and residential buildings;
- over time set increasingly stringent minimum performance standards for new buildings and major renovations (subject to regulatory impact analysis);
- include common metric(s) to underpin standard setting and performance assessment;
- include flexibility to account for climatic variation;
- accommodate mandatory disclosure of energy performance at time of sale or lease;
- work towards convergence of existing, measurement based rating tools (such as the National Australian Built Environment Rating System – NABERS Energy) for existing buildings with predictive or modelling based tools used for rating new buildings; and
- be capable of extension over time to cover broader sustainability elements, including water management and greenhouse gas emissions and the maintenance of energy efficiency performance through commissioning, operation and maintenance of buildings.

3.2. Commercial building sector

3.2.1. Significantly increase over time the stringency of energy efficiency provisions for all commercial buildings (Class three, and five to nine) in the Building Code of Australia (BCA) – starting with the 2010 version of the BCA.

- This measure will be achieved under the new national framework for building energy standard setting and rating.
- A package of energy efficiency measures for implementation in 2010 – for new buildings and major new work in existing buildings, which meets a benefit to cost ratio of 2:1.
- New efficiency provisions for heating, ventilation and air conditioning systems and for artificial lighting.

- Note: the last BCA update included a package of commercial buildings energy efficiency measures with a benefit to cost ratio of 5:1. Tightening the energy efficiency measures such that the regulatory impact analysis of the energy efficiency package comes in at 2:1 represents a significant strengthening of standards.

3.2.2. Phase-in from 2010 the mandatory disclosure of the energy efficiency of commercial buildings.

- Phase one: implement by mid 2010 a national mandatory disclosure scheme for large commercial office buildings (2,000m² or larger). To also cover commercial office buildings owned or leased by Australian, state and territory governments.
- Phase two: consideration of expanding mandatory disclosure to other building types, including hotels, retail, schools and hospitals by 2012.

3.2.3. Implement the Heating, Ventilation and Air Conditioning High Efficiency Systems Strategy (Framework Cool Efficiency Program).

- MEPS changes to commercial building chillers and close-control air conditioners will be subject to regulatory impact analysis processes. Implementation to commence in July 2009.

3.3. Residential building sector

3.3.1. Significantly increase the stringency of energy efficiency provisions for all new residential buildings in the Building Code of Australia (BCA) and broaden coverage of efficiency requirements.

- Minimum energy efficiency standards will be upgraded to 6-stars, or equivalent, nationally in the 2010 update of the BCA – to be implemented by May 2011 and reviewed regularly for potential upgrade thereafter. For example, 3-yearly from 2012.
- Separate energy efficiency requirements for hot water systems and lighting will be also considered.

3.3.2. Phase in mandatory disclosure of residential building energy, greenhouse and water performance at the time of sale or lease, commencing with energy efficiency by May 2011.

3.3.3. Provide incentives for residential building owners to undertake energy efficiency improvements.

- Australian Government's Energy Efficient Homes Package including the Low Emission Assistance Plan for Renters, the Homeowner Insulation Program, and the Solar Hot Water Rebate.
- Range of states and territory programs designed to improve the energy efficiency of existing residential housing stock.

3.3.4. States and territories to audit the energy efficiency of their public housing stocks.

- All states and territories will conduct and make publicly available an independent audit of the energy efficiency performance of their public housing stocks.

3.3.5. Address the opportunities that can be derived from building lot or precinct level layout that support appropriate solar access to living areas, solar hot water, and solar photovoltaic systems for new buildings.

3.3.6. Provide and promote information on energy efficient housing options.

3.3.7. Improve our understanding of the energy efficiency of Australia's existing housing stock.

4. Government working in partnership and leading the way

4.1.1. Governments to significantly improve the environmental performance of the buildings they own or occupy.

- Develop and implement a National Green Lease Policy for Government buildings for implementation in 2010-11.

4.1.2. Reduce travel relating to government business and its related greenhouse gas emissions.

- Roll out of TelePresence network in First Ministers' departments in all jurisdictions by June 2010.

4.1.3. Place greater emphasis on energy efficiency as part of broader improvements to the sustainable procurement practices of governments.

- The Framework for Sustainable Procurement has been agreed by jurisdictions though the Australian Procurement and Construction Ministerial Council by the end of 2009.
- Promote and accelerate the use of energy efficient equipment (including information–communications technology, refrigerators, etc) in government operations, and investigate the adoption of mandatory energy efficiency requirements, including the use of whole-of-life costing.
- Governments will progressively transform their vehicle fleets to be more fuel efficient.

4.1.4. 4.1.4 Increase the energy efficiency of street lighting.

- By the end of 2010:
- Review AS/NZS1158 to increase the minimum energy efficiency standard for specific categories of street lighting.
- Develop and promote guidelines to overcome the technical, financial and regulatory impediments to improved energy efficiency of street lighting.