

Ministerial Council on Energy
Standing Committee of Officials Bulletin No. 175
Greenhouse Intensive Water Heater Phase-out – Consultation Regulation
Impact Statement

This Bulletin announces the release of the Consultation Regulation Impact Statement (RIS) for a greenhouse intensive water heater phase-out initiative in existing dwellings.

In December 2008, the Ministerial Council on Energy (MCE) agreed to the implementation of the National Hot Water Strategic Framework (NHWSF) which comprises a mix of regulatory and industry capacity building initiatives. Agreement to regulatory initiatives is subject to economic analysis through an RIS.

The objectives of the NHWSF are to:

- Progressively transform the market for residential water heaters towards low-emission alternatives via a clear policy signal that will stimulate a positive industry response
- Provide a pathway for adoption of low-emission residential water heaters
- Improve the performance of low-emission water heaters
- Build market capability to support the effective transition by industry and consumers to low-emission domestic water heaters
- Build community awareness of the benefits of low-emission water heating to support the roll-out of new standards and uptake of best practice technologies for domestic water heating
- Deliver lifetime cost savings to households, at times of rising energy costs.

A key element of the NHWSF is the Greenhouse Intensive Water Heater Phase-out. Water heating is the second largest energy use in households. It accounted for nearly 23% of the energy used in Australian households in 2008, 22% of household sector greenhouse gas emissions and over 5% of total stationary energy sector emissions.

The aim of the proposed initiative is the phase-out of ‘greenhouse-intensive water heaters’ in existing dwellings in order to contribute to Australia meeting its obligations under the Kyoto Protocol and any subsequent international agreements, by:

- bringing about reductions in greenhouse gas emissions from water heating below what they are otherwise projected to be;
- reducing the cost of abatement; and
- helping households adjust to the impacts of an emissions trading scheme.

The proposed initiative will complement other measures taken to ensure the installation of low emission water heaters in new homes.

The release of this Consultation RIS forms the first part of the two stage RIS process. The results of this consultation RIS will inform a Decision RIS that Ministers will consider.

Comment is now sought on the RIS from affected stakeholders and interested parties. Stakeholders are requested to focus on the individual questions contained in the text but other general comments will be considered in the development of the Decision RIS.

Public consultation meetings will be held in the following cities between 10 February and 19 February 2010. Each consultation session will run between 1pm and 3pm.

Canberra 10 February 2010 DEWHA Offices, 5 Farrell Place, Civic

Sydney 11 February 2010 Medina Grand Sydney, 511 Kent Street, Sydney

Melbourne 12 February 2010 Rendezvous Hotel, 328 Flinders St, Melbourne

Brisbane 15 February 2010 Hotel Grand Chancellor, 23 Leichhardt St, Brisbane

Darwin 16 February 2010 Darwin Airport Inn, Darwin

Perth 18 February 2010 WA Office of Energy, Governor Stirling Tower, 197 St Georges Terrace, Perth

Adelaide 19 February 2010 Allegra Hotel, 55 Waymouth St, Adelaide

Submissions

- via email (preferred) to:
hotwater@environment.gov.au
- via mail to:
Heating & Cooling Team
Appliance Energy Efficiency Branch
Renewables and Energy Efficiency Division
Department of the Environment, Water, Heritage and the Arts
GPO Box 787
Canberra ACT 2601

Submissions should be received by 5pm Friday 12 March 2010.