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# **Ministerial Council on Energy**

## **Statement on National Framework for Energy Efficiency Overview Plan of Stage One Measures 2005 – 2007 December 2004**

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### **Background**

In November 2002, the Ministerial Council on Energy (MCE) endorsed a proposal for the development of a National Framework for Energy Efficiency (NFEE) to define future directions for energy efficiency policy and programs in Australia. This was in response to the significant benefits that can be realised through improvements in energy efficiency through coordinated action by Australian, State and Territory government agencies.

Adoption of the NFEE by State, Territory and the Australian governments will provide a sound platform to improve energy efficiency performance nationally. The Framework encompasses a range of measures, including wider application of energy standards, improving the capacity to identify and deliver energy savings and raising awareness of energy efficiency issues among all consumers.

### **Recent Developments**

In August 2004, MCE announced a major advance nationally for energy efficiency, productivity and the environment, by agreeing to a comprehensive package of measures comprising Stage One of the NFEE. The original nine measures have been condensed to eight. These integrated packages include mandatory energy efficiency opportunity assessments and energy disclosure by Australia's 250 largest businesses, increasing minimum design and energy performance measures for commercial buildings and houses and improvements to the energy efficiency of major energy using appliances and equipment.

Ministers have now agreed on the implementation plans for these measures for the period 2005-07, which have the potential to save around 50PJ of energy a year by 2015, approximately equivalent to three times the electricity generated by the Snowy Scheme annually, reduce greenhouse gas emissions by the equivalent of taking around 900,000 cars off the road and provide GDP benefits of up to \$400 million a year. An overview of the NFEE Stage One implementation plan is attached.

The National Framework will involve expenditure of around \$33 million over three years to deliver a comprehensive package of energy efficiency measures across the residential, commercial, government and industrial sectors.

Responsibility for oversight of the Stage One NFEE package will reside with the Energy Efficiency Working Group (E2WG) on behalf of the Ministerial Council on Energy.

With the implementation plans now agreed, governments will also consider possible further measures, which could include broad-based incentives under a Stage Two NFEE in the context of the current Productivity Commission inquiry into energy efficiency, due for completion in mid 2005.

## **Individual Implementation Plan Summaries**

Summarised below are the Stage One NFEE implementation plans that have been approved by MCE.

### Residential and Commercial Buildings

*Objective* To set improving levels of minimum energy efficiency design standards for new construction including alterations and additions for residential and commercial buildings, and ensure credible and meaningful information is publicly and readily available to potential purchasers and renters/lessees on the relative energy performance of buildings.

*Key Elements* Nationally consistent minimum standards adopted and enhanced over time with nationally consistent 5-star standards for all homes and appropriate standards for commercial buildings adopted in all jurisdictions by no later than August 2007.

Agreed method(s) for measuring building energy performance on a “like-with-like” basis with a nationally consistent legislated regime for mandatory disclosure of energy performance of residential and commercial buildings in place no later than December 2007.

### Commercial/Industrial Energy Efficiency

*Objective* To bring energy efficiency opportunities to the attention of key decision-makers in large energy consumers, to motivate action by businesses, and to improve the skill base to identify energy efficiency opportunities.

*Key Elements* The requirement for large energy consumers to undertake mandatory energy assessments and report on the energy efficiency opportunities that these identify, as announced in the Australian Government's Energy White Paper.

Nationally coordinated training and accreditation for energy assessors and energy performance contractors.

### Commercial & Industrial Sector Capacity Building

*Objective* To demonstrate the benefits of energy efficient technology, build industry capacity to deliver energy efficient solutions, promote innovation and reduce energy efficiency investment risks.

*Key Elements* Develop and make available to jurisdictions a demonstration model to generate highly visible examples of energy efficient equipment or processes in key industrial sectors and new or refurbished commercial buildings.

Link industry and government to key centres for leading edge energy efficiency research and development.

Nationally coordinated energy efficiency best practice networks.

A nationally consistent and streamlined reporting framework on energy use and emissions.

### Appliance & Equipment Energy Efficiency

*Objective* To drive on-going improvements to the energy efficiency of major energy using appliances and equipment.

<i>Key Elements</i>	Expanded electrical appliance & equipment program, through regulating new products for MEPS &/or labelling, and increasing the stringency of regulations for existing products
	Inclusion of gas appliances & equipment in National Appliance & Equipment Energy Efficiency Program
	Increased focus on industrial products

### Government Energy Efficiency

<i>Objective</i>	To demonstrate government leadership in the adoption of energy efficient practices, and to develop standardised monitoring and reporting processes to evaluate energy efficiency initiatives.
<i>Key Elements</i>	Development of a nationally consistent and standard approach to measuring and reporting the outcomes of government energy efficiency programs.
	Mandatory reporting of the energy performance of government agencies with a nationally consistent reporting process and format.
	Encourage government agencies to implement energy efficiency programs and to facilitate greater investment in energy saving by government agencies.
	Enhanced energy performance standards for government owned or leased buildings.

### Trade and Professional Training and Accreditation

<i>Objective</i>	To ensure key trades and professions have the skills to deliver efficiency outcomes, to establish consumer confidence and reduce the risks for investors in energy efficiency projects by ensuring work is undertaken by competent and independently accredited professionals, and to assist trades and professions to recognise and promote the new market opportunities associated with energy efficiency
<i>Key Elements</i>	The development of an accreditation protocol that ensures consistent standards.
	Specific accreditation schemes for identified trades and professions.
	Incorporation of energy efficiency into formal qualification training curriculum and ongoing professional development courses.
	Recognition and requirement by professional organisations and government agencies for accreditation and related training.

### General Consumer Capacity Building

<i>Objective</i>	To raise the awareness of consumers regarding the benefits of energy efficiency, to enable consumers to make better informed decisions about actions to reduce energy consumption, and to motivate general consumers to implement energy saving actions.
<i>Key Element</i>	A requirement for energy retailers to provide benchmark data on household energy bills.
	Development of a nationally coordinated network to facilitate easy and timely access to high quality and relevant energy efficiency information.
	Development of a NFEE website .

The integration of energy efficiency concepts into educational resource materials.

### Finance Sector Awareness

<i>Objective</i>	To increase the understanding of the benefits of energy efficiency by financial institutions and financial decision makers, and to stimulate the development of innovative financing options to realise energy efficiency opportunities.
<i>Key Elements</i>	The package involves working with the finance sector to identify methods to ensure the sector is aware of and acts appropriately to address energy efficiency opportunities.

The attached table gives a breakdown of key milestones and timeframes for each implementation plan.

**NFEE STAGE ONE**  
**Major Measures and Milestones**

1. Building performance	2004-05	2005-06	2006-07
<i>Residential</i>	AccuRate tool for energy efficient house design	Public disclosure of energy efficiency performance.	5 Star energy rating national minimum
<i>Commercial</i>		Energy efficiency provisions in building code	Public disclosure of energy efficiency performance
<b>Key Activities</b>	Expansion of existing program, consultancies (technical expertise)		

2. Appliance and Equipment	2004-05	2005-06	2006-07
<i>Expanded appliance program, including stronger focus on industrial equipment</i>	Additional commercial & residential products under MEPS & labelling, including lighting and gas.		
	10-year product strategies across sectors & fuels (eg , gas, lighting, hot water & climate control)		
	Establish nationally consistent MEPS & labelling scheme for gas appliances & equipment.		
	Identify opportunities for increasing the industrial sector coverage, and implement relevant proposals.		
	High Efficiency product database operating		
<b>Key Activities</b>	Expansion of existing program (more products, RIS, stakeholder consultation, regulation)		

3. Commercial & Industrial Energy Efficiency	2004-05	2005-06	2006-07
<i>EEOA for large energy users</i>	Program design, Assessment model	Legislative power established	At least 50 business participating
<i>Linkages with other programs and other energy users</i>		Accreditation	Opportunities for linking with industry energy programs
<i>Training and accreditation</i>	Industry models	Pilot program in one jurisdiction	Accreditation taken up by industry organisation
<b>Key Activities</b>	Legislation, consultancies (technical expertise), stakeholder liaison		

<b>4. Commercial &amp; Industrial Sector Capacity Building</b>	<b>2004-05</b>	<b>2005-06</b>	<b>2006-07</b>
<i>Energy efficient technology and equipment</i>	Demonstration model developed	Pilot program run by jurisdictions who elect to participate.	
<i>National best practice networks, and program findings</i>	Collate best practice information	Network and information available	
<i>Business energy efficiency research &amp; development network</i>	Stocktake of energy efficiency research and development	Establish Networks	
<b>Key Activities</b>	Pilot studies, consultancies		

<b>5. Government Energy Efficiency</b>	<b>2004-05</b>	<b>2005-06</b>	<b>2006-07</b>
<i>Enhanced requirements and reporting on energy efficiency of government operations</i>	Oversight working group established	Measures developed and tested	Implemented  Nationally consistent data collection and programme reporting
<i>Mandatory annual reporting on energy use by government agencies</i>	Scope work and initiate research	Guidelines developed	
<i>Program Measurement and reporting</i>	Consultation with stakeholders		
<b>Key Activities</b>	Cross-jurisdictional consultation and program development		

<b>6. Trade &amp; Professional Training</b>	<b>2004-05</b>	<b>2005-06</b>	<b>2006-07</b>
<i>National energy efficiency training protocol and accreditation</i>	Training identified	Energy efficiency skills incorporated into trade and professional courses	National accreditation scheme adopted
<b>Key Activities</b>	Consultancies, liaison with educational authorities		

<b>7. General Consumer Capacity Building</b>	<b>2004-05</b>	<b>2005-06</b>	<b>2006-07</b>
<i>National approach to energy costs for billing householders</i>		Pilot program	Comparative energy use data on household bills
<i>National coordination of information for promotional, educational and program purposes</i>		Protocol for national energy efficiency information and approach agreed	Materials available nationally Data system in place
<b>Key Activities</b>	Consultancies (technical expertise)		

<b>8. Finance Sector Awareness</b>	<b>2004-05</b>	<b>2005-06</b>	<b>2006-07</b>
<i>Better evaluation methods and information on the risks, savings and benefits of energy efficiency</i>	Scope and work program determined Finance industry advisory groups setup	Industry consultation and development of financial services	Tools for finance sector to assess energy efficiency options
<b>Key Activities</b>	Consultancy (model development), liaison with financial sector		