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E2WG Secretariat  
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## **CONSULTATION PAPER - NATIONAL FRAMEWORK FOR ENERGY EFFICIENCY – STAGE 2**

I refer to the MCE's Energy Efficiency Working Group (E2WG) Consultation Paper on Stage 2 of the National Framework for Energy Efficiency. Ergon Energy Queensland Pty Ltd ("Ergon Energy") is pleased to have the opportunity to comment on the Consultation Paper and asks the MCE to accept this letter as our submission on the issues raised.

### **Consumer Bill Benchmarking**

Ergon Energy supports the use of energy consumer bill benchmarking, subject to the provision of flexibility for retailers on the location and format of benchmarking information, in order to minimise (and preferably avoid) the need for expensive billing system changes.

In order for benchmarking to be effective in creating energy efficiency gains, two essential features must be adopted. Firstly, the benchmark must be meaningful and relevant to the customer in order to affect their behaviour. Benchmarking which refers to household occupant numbers is considered to be far less relevant than benchmarking for particular zones or areas. By way of illustration, approximately 40% of Ergon Energy's residential customer base in areas of southern Queensland have air conditioners, while in areas of northern Queensland the figure is closer to 90%. A two person house in the north with air conditioning will have a totally different consumption level and pattern than a two person house in the Darling Downs. Providing our customers with a comparison to the average use of a two person Australian household is therefore effectively meaningless to them. More importantly, such variation in use between households of the same size in different locations also makes it extremely difficult (if not impossible) to actually identify an appropriate benchmark energy use based on household size. In order for the benchmarking to be effective, retailers must therefore have flexibility to provide benchmarking information which is relevant to the customer receiving the information.

Secondly, in order to achieve a change in behaviour, information must be provided to customers about what they can do to be more energy efficient. Unless a customer is provided with information on possible actions at the same time that they are provided with the benchmarking information, the uptake of action will be much reduced. Information could take the form of the inclusion of handy hints for reducing energy use or simply a website address at which such hints are provided.

### **Minimum Energy Performance Standards and E3 Program**

The success of the Mandatory Energy Performance Standards (“MEPS”) program to date demonstrates that such a program is a very effective method of ensuring long term energy efficiency gains.

Placing liability for energy efficiency gains on product manufacturers is a very effective way of ensuring success, particularly where old and inefficient products are phased out of the market as soon as possible.

Ergon Energy considers that significant gains can be made from the E2WG proposal to target the performance standards of air-conditioners (in addition to other appliances). The continued growth in air conditioning installation means that the sooner that air conditioner standards are targeted and improved, and sub-standard appliances removed from market circulation, the greater the long term efficiency gains that will be achieved.

Ergon Energy strongly supports the MEPS scheme as one of the best methods of managing and significantly reducing total small consumer electricity consumption and supports the expansion of the range of products covered by the MEPS program.

Should you wish to discuss any of these matters further please do not hesitate to contact me directly on (07) 3228 8149.

**Mark Easton**  
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