

NATIONAL FRAMEWORK FOR
ENERGY EFFICIENCY

Implementing the National Framework for Energy Efficiency

David Young

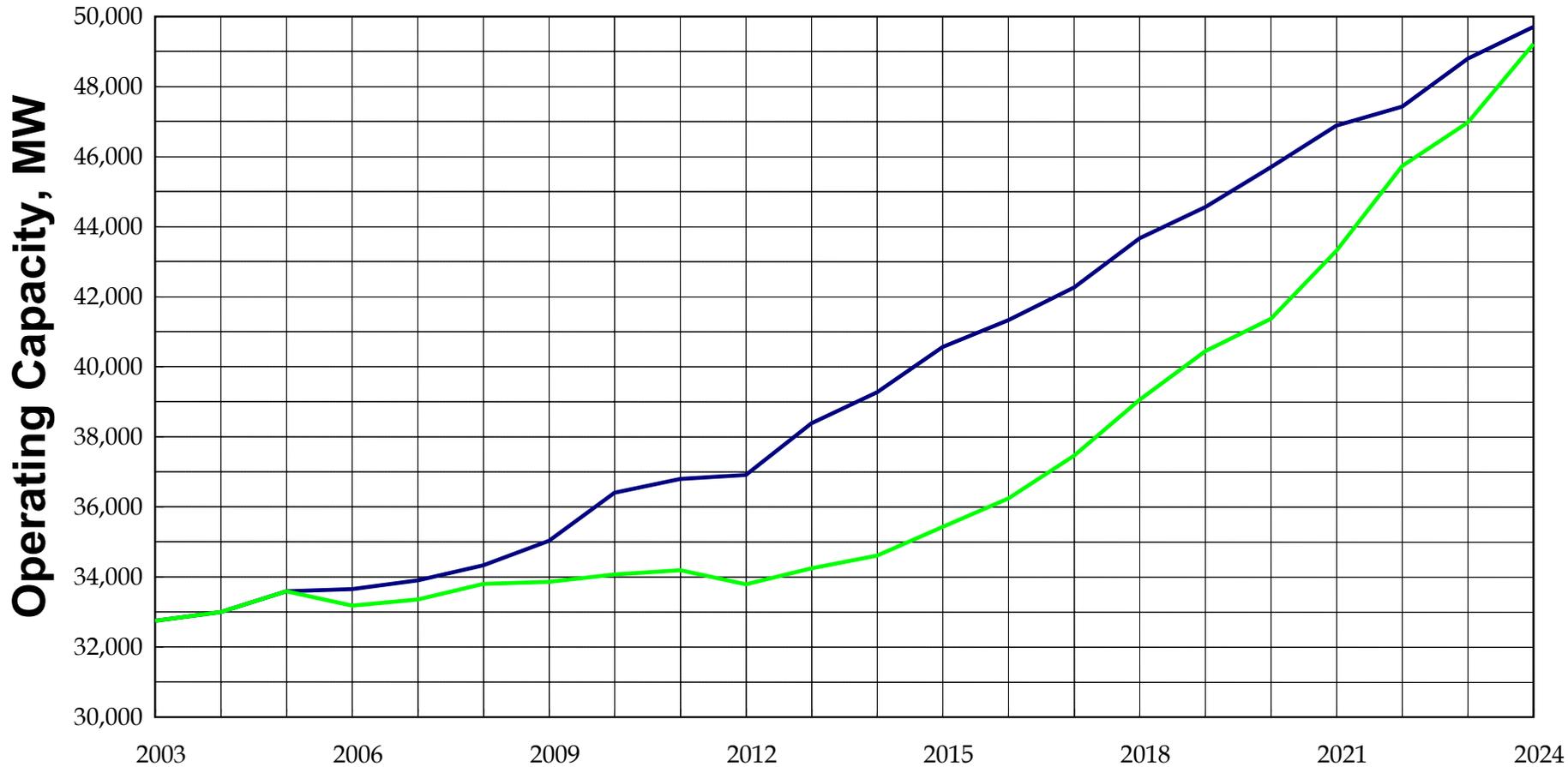
Chair National Steering Committee

Introduction

- > **Rational economics**
 - Impact of Energy Efficiency
- > **The National Framework**
 - Stage 1 Measures
- > **Where to from here?**
 - Possible scenarios

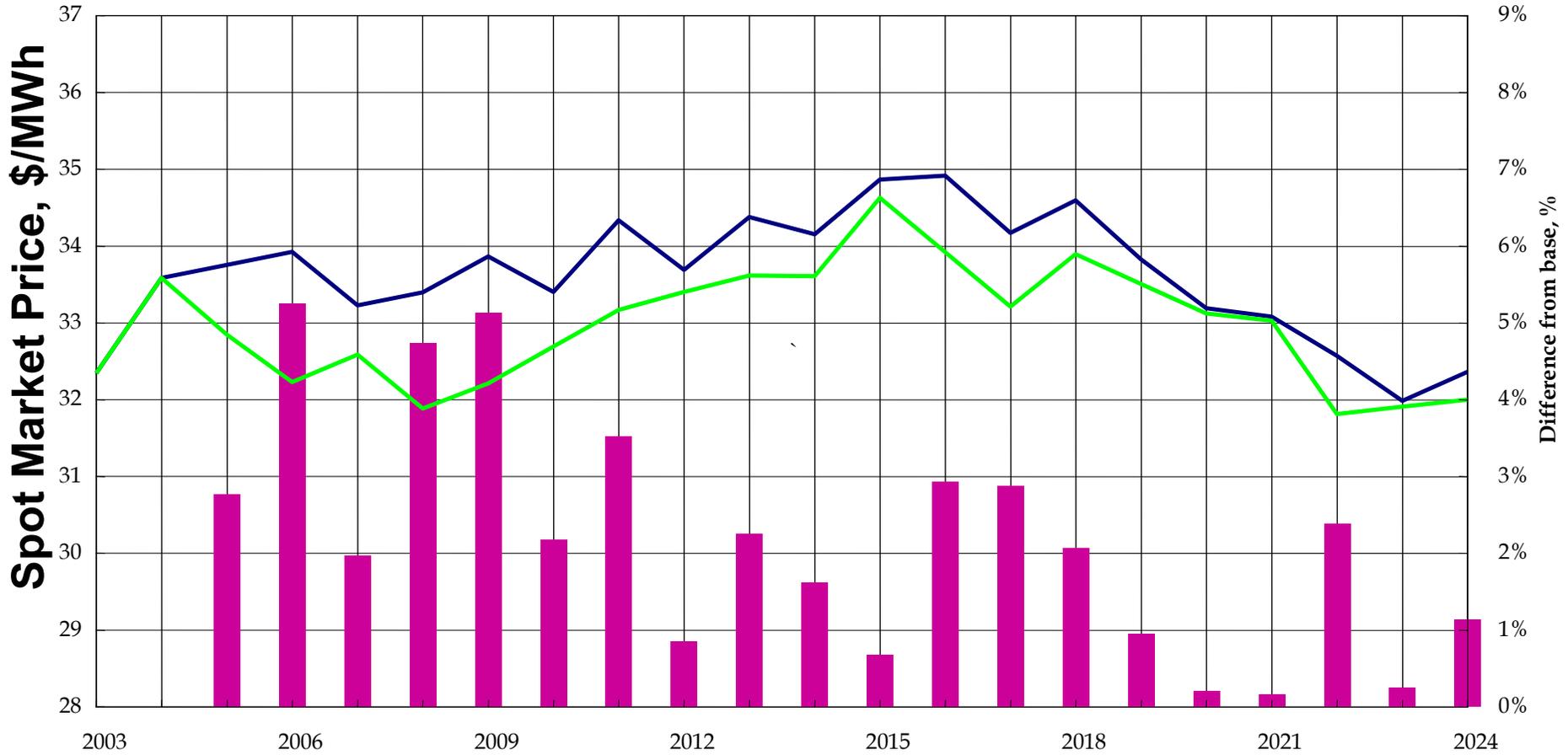
Impact of a National Energy Efficiency Target Installed Operating Capacity

— BAU — 1.0% - NEET

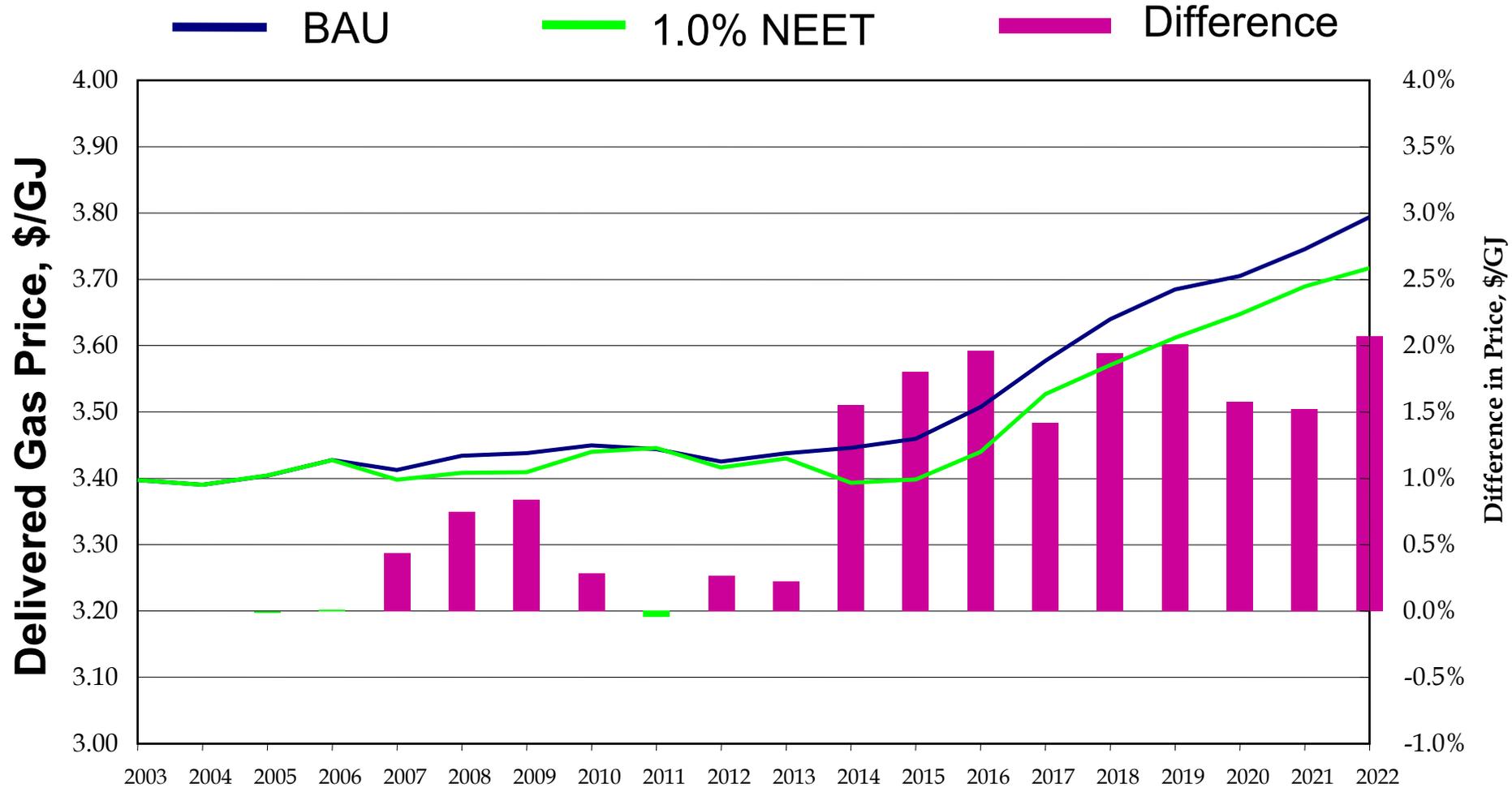


Impact of a National Energy Efficiency Target Wholesale market prices in the NEM

BAU 1.0% NEET Difference

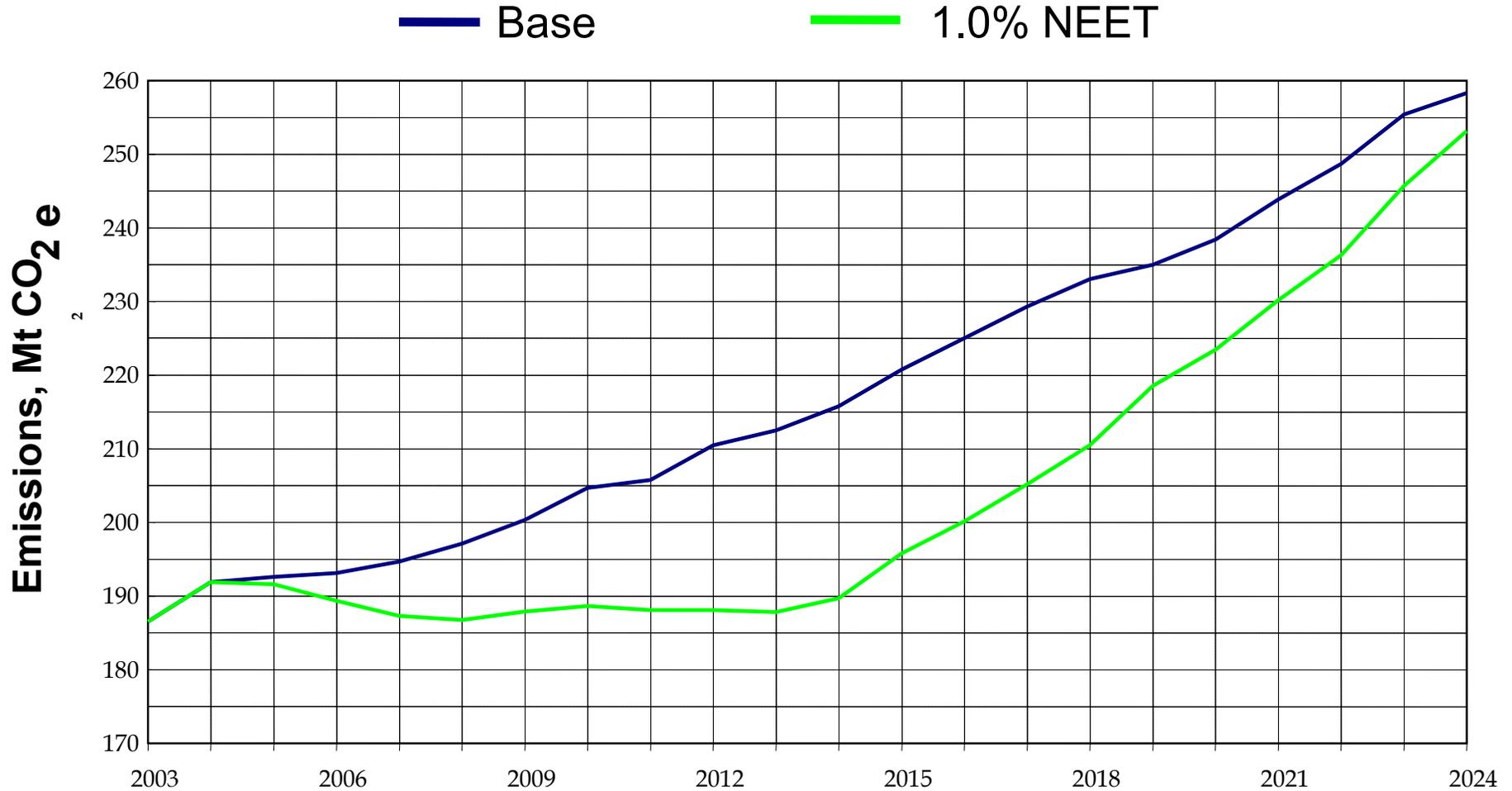


Impact of a National Energy Efficiency Target City Gate Gas Prices



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Impact of a National Energy Efficiency Target Greenhouse Pollution



National Energy Efficiency Policy Development

> 2001

COAG assigned MCE the task to identify ways of significantly improving energy efficiency through cooperative action by the Commonwealth, States and Territories.

> 2002

Ministerial Council endorsed the development of a National Framework for Energy Efficiency (NFEE)

> 2003

National Framework Discussion Paper released for consultation

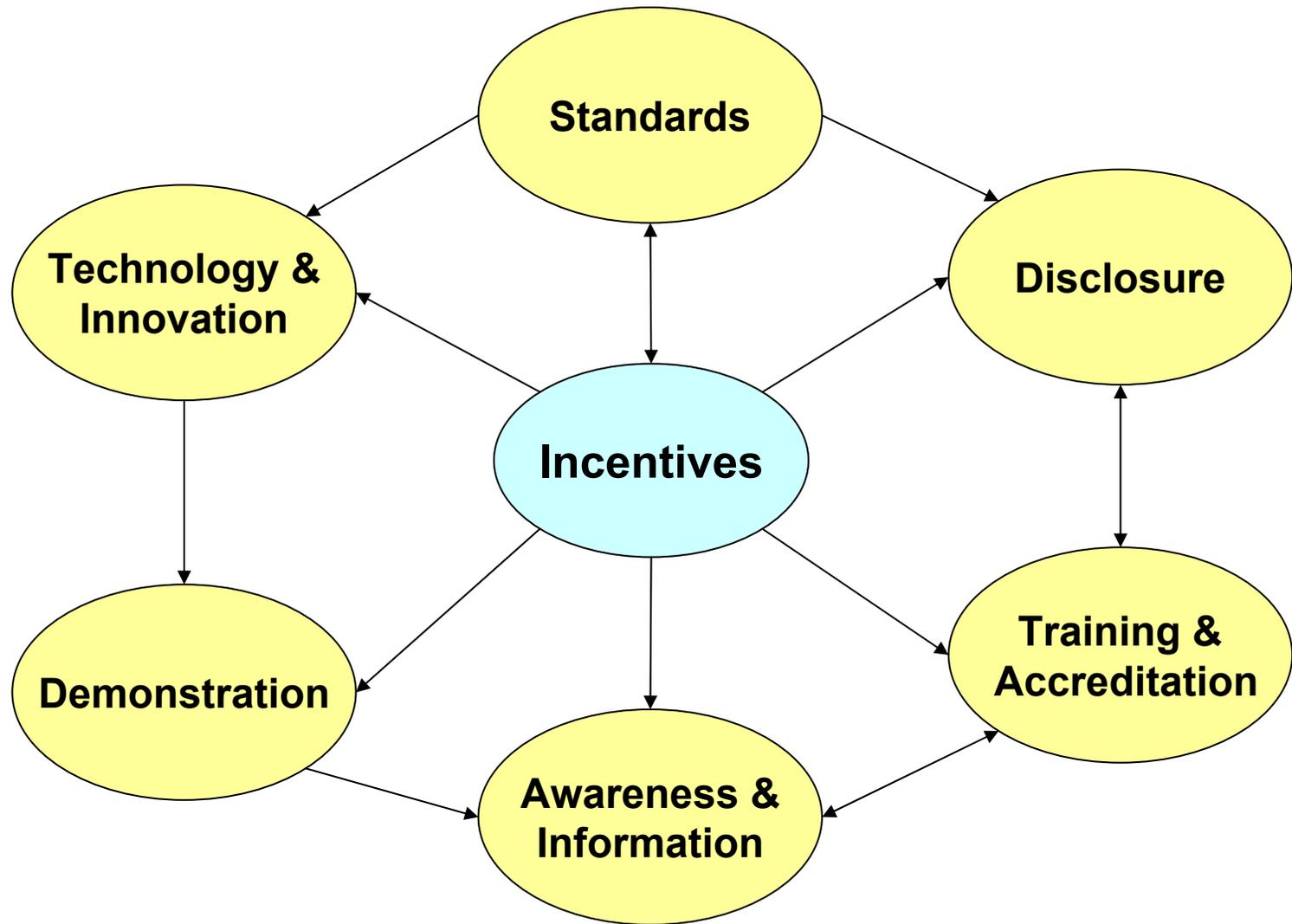
> 2004

Commitment to NFEE Stage 1 Policy Measures
Start of Productivity Commission Enquiry

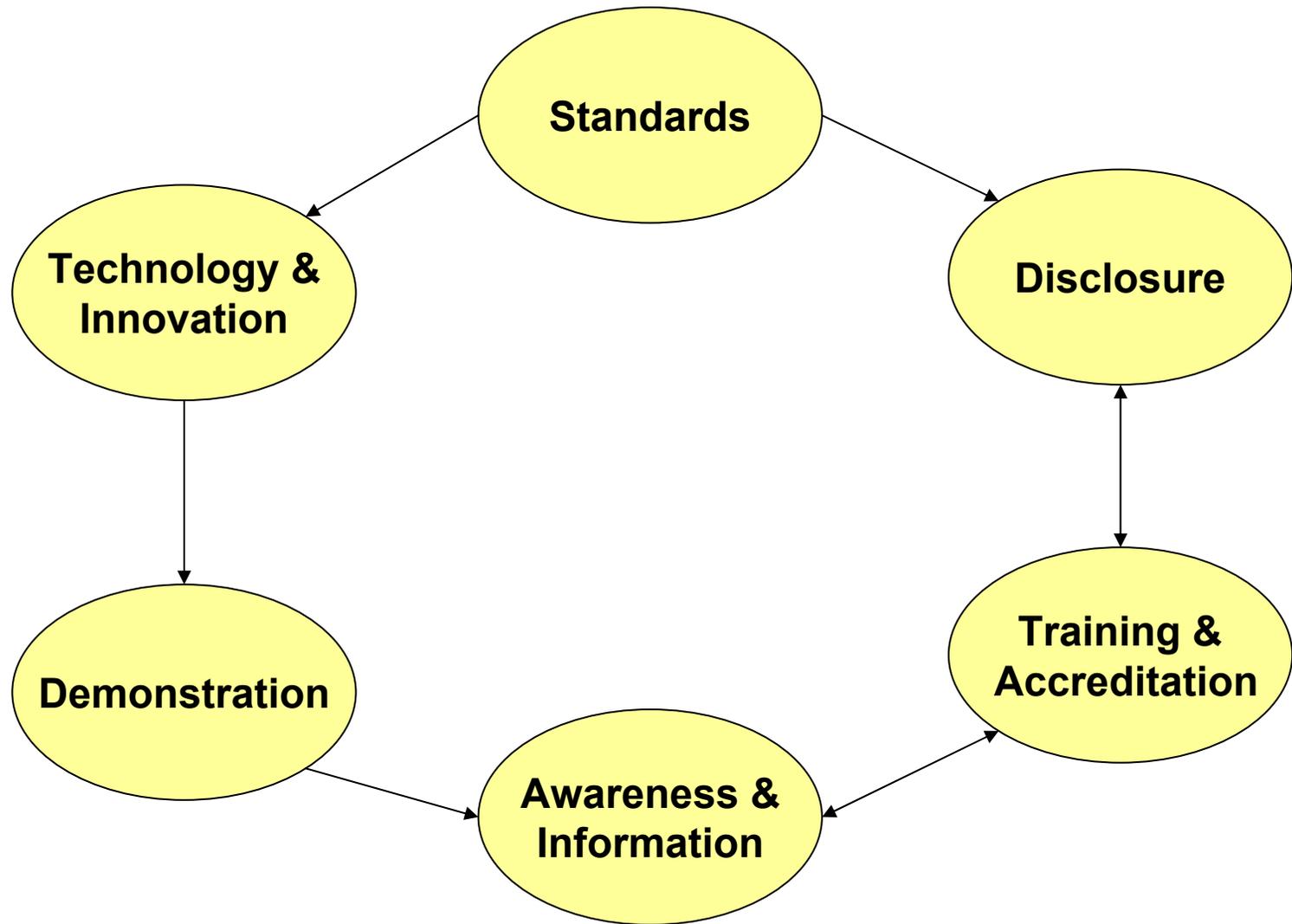
> 2005

NFEE Stage 2

Key dimensions of the National Framework



Stage 1 of the National Framework



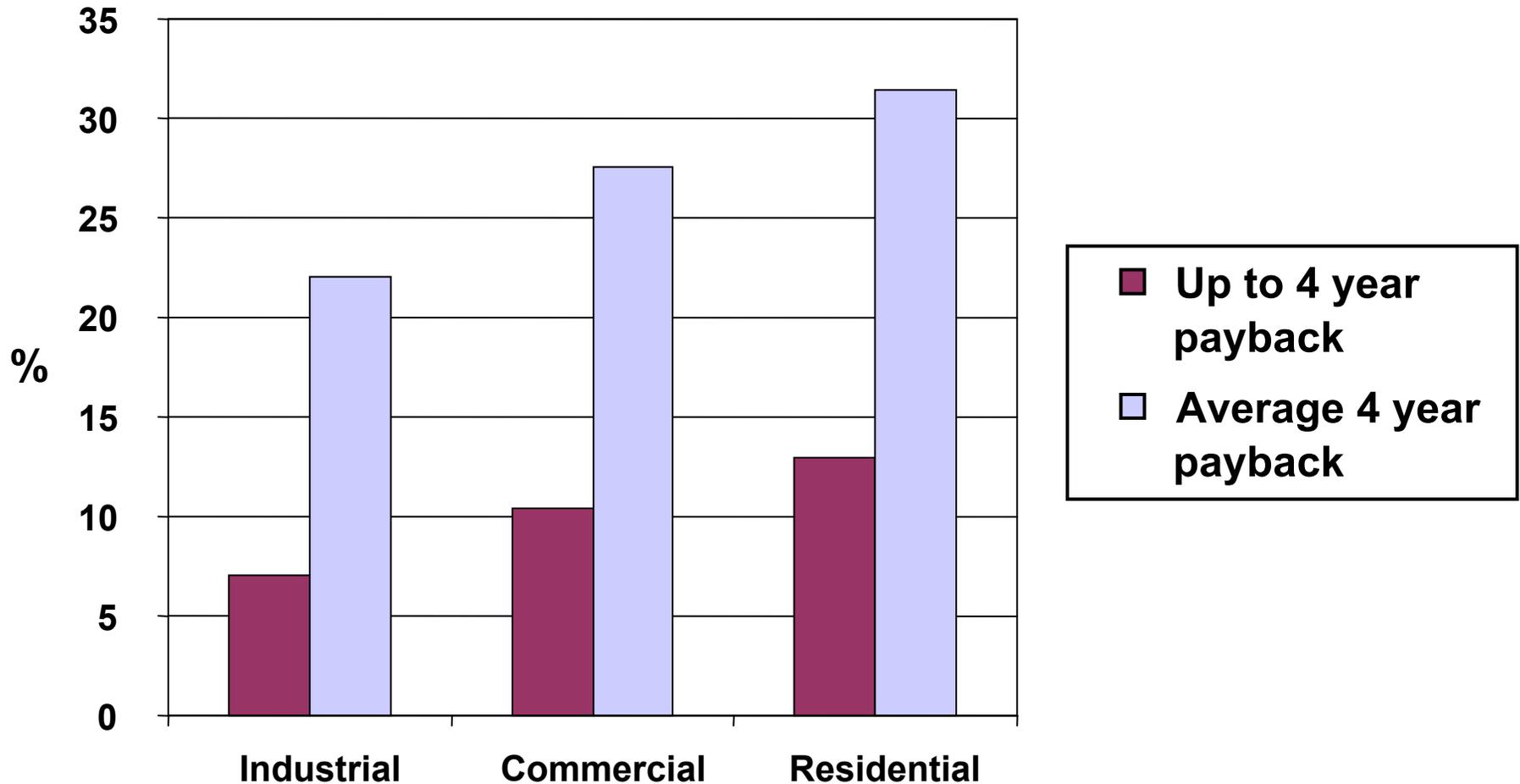
MCE Agreement on Nine Policy Packages

Policy Packages:

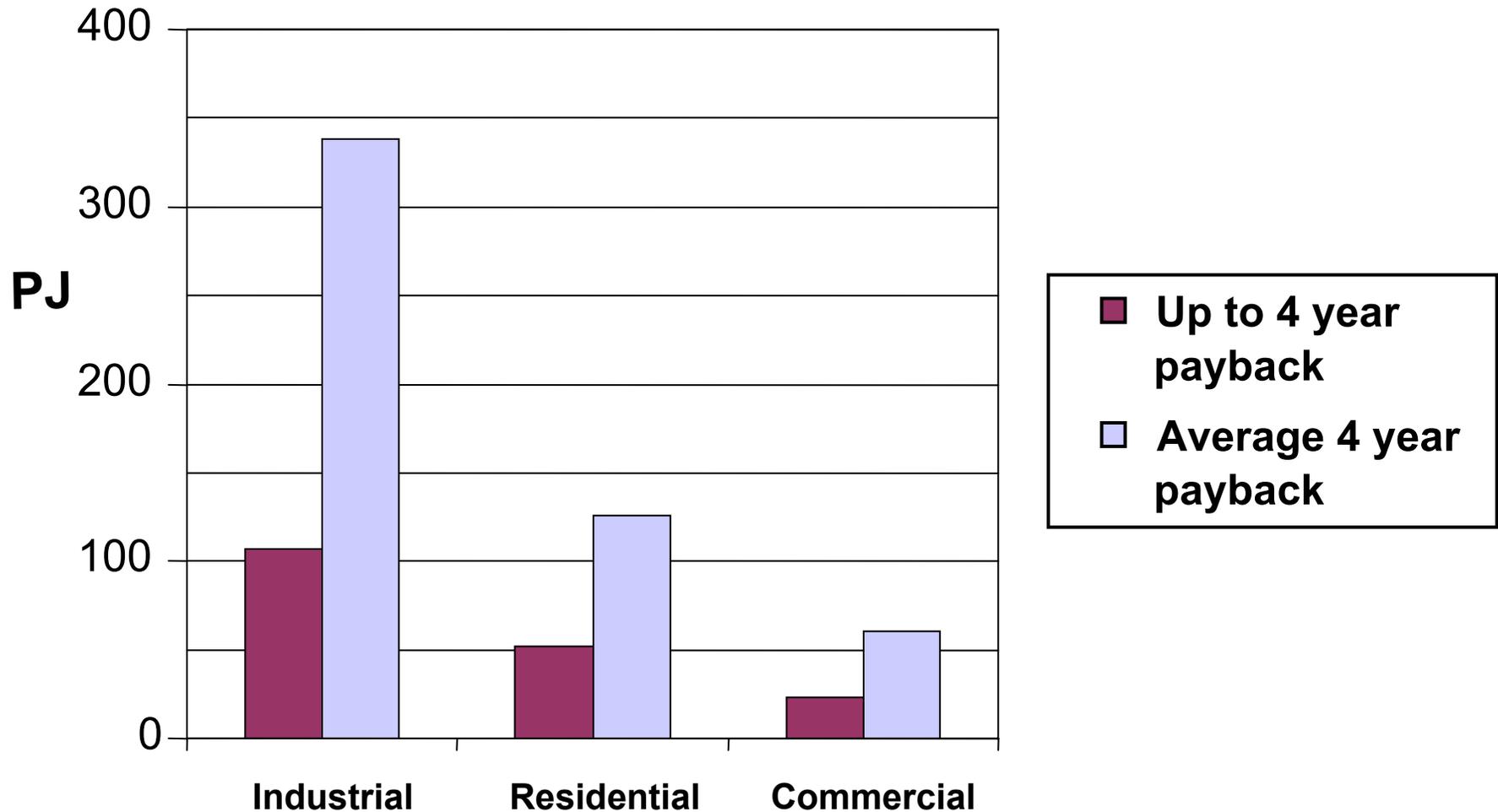
1. Residential Buildings
2. Commercial Buildings
3. Commercial/Industrial
4. Government
5. Appliances and Equipment
6. Training and Accreditation
7. Capacity Building
8. Consumer Awareness
9. Finance Sector

Implementation over the next three years

Energy productivity improvement potential



Potential energy savings (PJ) Australia



MCE Agreement on Nine Policy Packages

Policy Packages:

- 1. Residential Buildings**
- 2. Commercial Buildings**
- 3. Commercial/Industrial**
4. Government
- 5. Appliances and Equipment**
6. Training and Accreditation
7. Capacity Building
8. Consumer Awareness
9. Finance Sector

Implementation over the next three years

Residential Buildings

- > Nationally consistent minimum energy efficiency design standards for new homes, units and apartments
- > Minimum energy efficiency design standards for major renovations
- > **Mandatory disclosure of the energy performance of homes, units and apartments at the time of sale or lease**

Commercial Buildings

- > Nationally consistent minimum energy efficiency design standards for new and refurbished buildings
- > Mandatory disclosure of building energy performance at time of sale or lease

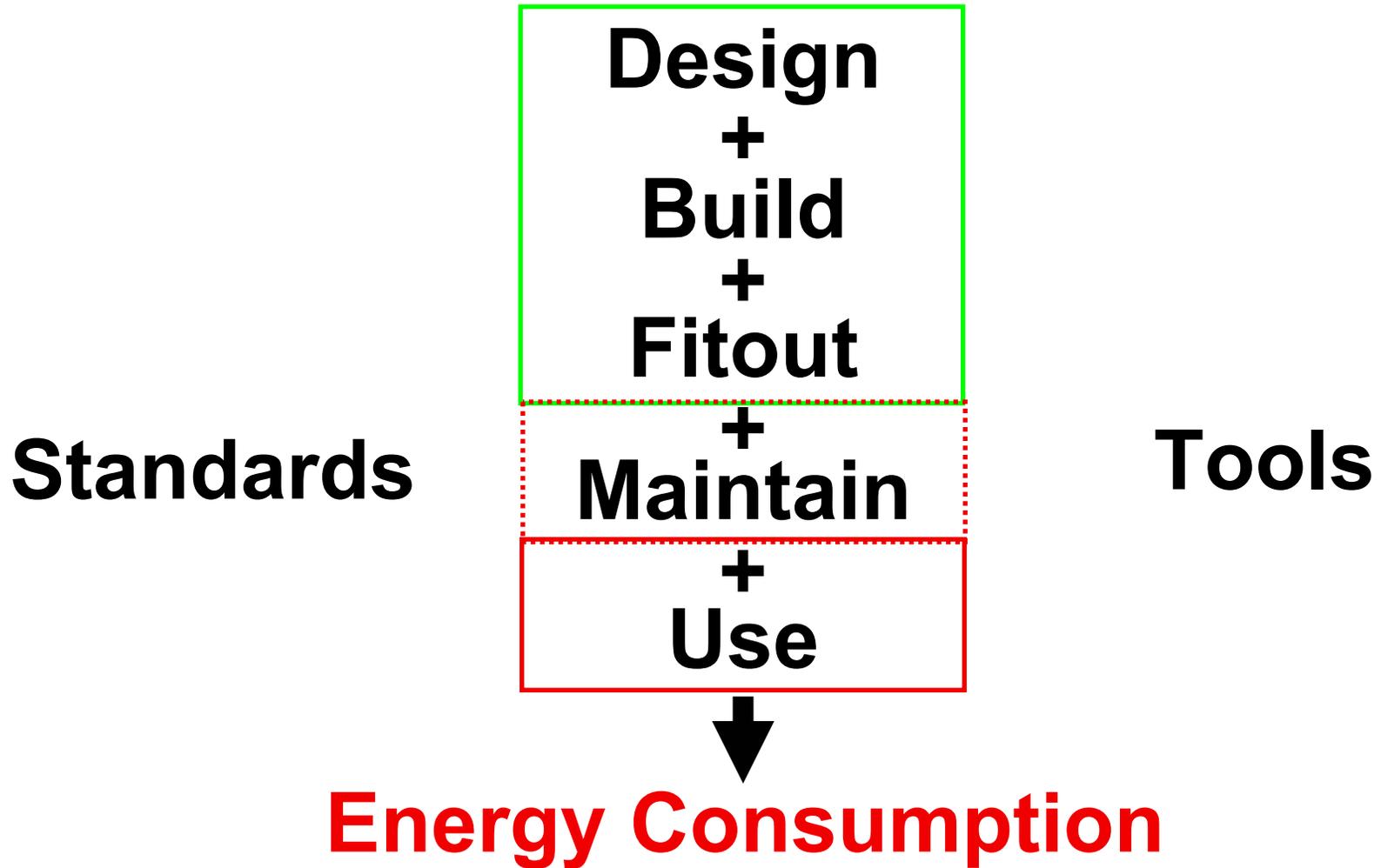
Building Energy “Performance”

Design
+
Build
+
Fitout
+
Maintain
+



Energy Consumption

Building Energy “Performance”



“The Enemy of the Good is the Great”

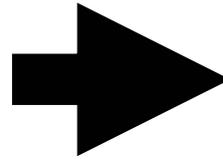
Commercial and Industrial

- > The requirement for large energy consumers to undertake mandatory energy assessments and report on the energy efficiency opportunities
- > Nationally coordinated training and accreditation for energy auditors and energy performance contractors

Mandatory Energy Assessments & Reporting

Assessments

Reporting



**Influence a
companies
investment
decisions**



**Influence the
finance sector
and sharemarket**

Appliances and Equipment

- > Mandatory minimum energy performance standards (MEPS) and labeling for gas products
- > New or more stringent MEPS for residential, commercial and industrial products
- > Increasing the number of commercial and industrial products regulated

Where to from here?

Possible Scenarios

Scenario 1 : EE in the Wilderness

- > Productivity Commission Review is non-committal on the value of incentives
- > Some NFREE Stage 1 measures progress, others stall, bogged down in bureaucracy
- > Supply side emphasis is maintained as EE delivers limited concrete results
- > Industry voice is small and quiet
- > Focus continues to be on getting access to limited Government subsidies

Scenario 2 : Flogging a dead horse

- > Productivity Commission Review indicates no rationale for incentives
- > NFEE Stage 1 measures collapse into academic debate and inter-jurisdictional fights
- > NFEE Stage 2 never sees the light of day
- > Energy Efficiency is written off as a credible solution to demand growth
- > Industry is fragmented
- > Bitter infighting over shrinking Government resources

Scenario 3 : Onwards and Upwards

- > Productivity Commission Review indicates cautious support for limited incentives
- > NFEE Stage 1 measures are rolled out, with quick wins building confidence and momentum
- > Work on Stage 2 measures starts with agreement to a National Target and EE Certificate Trading
- > Energy Efficiency projects demonstrate that EE is a credible solution to demand growth
- > Industry grows and voice strengthens
- > Industry moves away from Government subsidies

Thank you!