

Introduction to PBA VEU Projects: What They Are and Why They Matter

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PBA VEU projects are Project-Based Assessments conducted under the Victorian Energy Upgrades program. They are custom, energy-saving initiatives tailored to a business's specific needs, taking a holistic approach that assesses an entire facility or process to identify multiple opportunities for energy savings, often combining several measures to maximize efficiency and cost-effectiveness - unlike prescribed activities that involve standard equipment replacements. These projects warrant investigation beyond standardized requirements and use one of two methods: measurement and verification, which compares pre- and post-upgrade energy consumption, or benchmark rating, which uses NABERS ratings to establish baseline performance.

Publication context: This article reflects its publication date. Market prices, program rules, reporting duties and deadlines may have changed. Confirm current official guidance before making a decision.

In today's business landscape, energy efficiency is not just a trend; it's a necessity. Companies across various sectors continually seek ways to reduce their energy consumption and lower their carbon footprint. One effective approach to gaining traction is through Project-Based Assessments (PBA) under the Victorian Energy Upgrades (VEU) program. But what exactly are PBA VEU projects, and why should your business consider them? Let's delve into the essentials.

What are PBA VEU Projects?

The Victorian Energy Upgrades (VEU) program, formerly known as the Energy Saver Incentive, is a state government initiative aimed at helping businesses and households reduce their energy usage and greenhouse gas emissions. Within this framework, Project-Based Assessments (PBA) offer a flexible and comprehensive method for achieving significant energy savings .

PBA VEU projects are custom energy-saving initiatives tailored to the specific needs of a business. Unlike standard energy efficiency upgrades that involve simple replacements or retrofits, PBAs take a holistic approach. They assess the entire facility or process to identify multiple opportunities for energy savings, often combining several measures to maximize efficiency and cost-effectiveness.

How Do PBA VEU Projects Work?

Initial Assessment : The process begins with a thorough assessment of your business operations. Energy experts analyze current energy usage patterns, equipment, and processes to identify potential areas for improvement.

Project Proposal : Based on the assessment, a detailed project proposal is developed. This proposal outlines the recommended energy-saving measures, expected savings, implementation costs, and potential rebates available through the VEU program.

Implementation : Once the proposal is approved, the implementation phase begins. This can involve a variety of actions, from upgrading lighting and HVAC systems to optimizing manufacturing processes or installing renewable energy sources.

Verification and Reporting : After implementation, the project's effectiveness is verified through monitoring and reporting. This step ensures that the projected energy savings are achieved and sustained over time.

Why Should Your Business Consider PBA VEU Projects?

Substantial Energy Savings : PBA VEU projects can lead to significant reductions in energy consumption, resulting in lower utility bills and operational costs.

Tailored Solutions : Unlike one-size-fits-all upgrades, PBAs are customized to address the unique energy needs of your business, ensuring maximum impact.

Financial Incentives : The VEU program offers financial incentives to help offset the initial costs of implementing energy-saving measures, making these projects more affordable.

Environmental Impact : Reducing energy consumption not only saves money but also contributes to lowering your business's carbon footprint, supporting broader sustainability goals.

Enhanced Operational Efficiency : Beyond energy savings, PBAs often lead to improvements in overall operational efficiency, enhancing productivity and competitiveness.

Examples of PBA Projects

Solar PV Installation at The Australian Glass Group The Australian Glass Group (AGG) implemented a 581kW solar PV system on the roof of their head office and manufacturing site in Knoxfield. This project, facilitated by an agreement with the building owners, APN Property Group, allowed AGG to reduce energy costs significantly while contributing to a greener property portfolio. By participating in the VEU program, AGG measured and verified annual carbon savings of 421 tonnes of CO₂. The PBA approach enabled AGG to use Green Power from their solar PV system and realize a return on investment over three times higher than if they had claimed Large-scale Generation Certificates (LGCs). The quicker turnaround on financial returns and the reduced upfront costs made the project particularly attractive.

Energy Management System for a Water Corporation - A water corporation aiming for 100% renewable energy by 2025 and net zero emissions by 2030 engaged Northmore Gordon to develop an organization-wide Energy Management System. The project included a detailed review of current energy management practices, an assessment of top energy-consuming sites, and an identification of over 65 improvement opportunities. The implementation of these measures, supported by the VEU PBA method, significantly reduced project payback times and helped the corporation align with its ambitious energy and environmental targets.

Biomass Boiler Upgrade at an Industrial Site - Northmore Gordon facilitated a project that replaced natural gas-fired boilers with a biomass boiler system fueled by locally sourced sawdust. This upgrade included the installation of a 3 MW thermal biomass boiler and associated infrastructure. The project complied with the Victorian Energy Upgrade Program, maximizing financial incentives through the creation and trading of VEECs. This comprehensive service, from M&V; planning to energy savings calculation, ensured the project delivered substantial energy and cost savings.

HVAC System Overhaul at Aurora Place - Aurora Place undertook a major energy efficiency project to upgrade its HVAC system. The project involved replacing chillers, upgrading cooling towers, and installing variable speed drives and other control system enhancements. Northmore Gordon's M&V; work allowed for the creation of energy savings certificates (ESCs) under the NSW Energy Savings Scheme (ESS). These certificates generated significant revenue, which was reinvested into further

building improvements. Despite challenges such as aging equipment and the impact of COVID-19, the project achieved annual energy savings of 309,000 kWh and provided substantial financial returns.

These examples demonstrate the diverse applications and substantial benefits of PBA VEU projects across various industries, highlighting Northmore Gordon's expertise in delivering tailored energy efficiency solutions.

Project-based assessments under the Victorian Energy Upgrades program represent a strategic approach to energy efficiency, offering businesses a pathway to substantial savings and sustainability. By conducting a thorough assessment and implementing customized measures, PBAs ensure that your energy-saving efforts are both effective and enduring.

If you're looking to enhance your business's energy efficiency, consider exploring the potential of PBA VEU projects. Not only will you benefit from reduced energy costs, but you'll also be contributing to a greener future. For more information on how Northmore Gordon can assist you with PBA VEU projects contact us directly.

Using this guidance

Check the site's operating conditions, data quality, project stage and current program settings before turning the dated discussion into a scope or investment decision.

Related guidance

Energy audits

Measurement and verification

Contact us

Read the original article for the source publication and its full context.

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What is the Victorian Energy Upgrades (VEU) program?

The Victorian Energy Upgrades program supports eligible improvements through Victorian Energy Efficiency Certificates (VEECs), administered by the Victorian Government. Accredited providers create certificates for eligible activities, with eligibility dependent on the specific activity, premises, equipment and scheme conditions. The program offers both prescribed activities with standardized equipment requirements and project-based activities for more complex sites. A technically sensible upgrade is not automatically eligible; eligibility must be established through proper assessment of the applicable activity and scheme requirements.

Why is choosing the right project-based method early important?

Choosing the measurement and verification or benchmark rating method before building the evidence file is critical because each method has different evidence prerequisites and requirements.

Measurement and verification requires pre- and post-upgrade energy data, while benchmark rating uses NABERS ratings. The correct choice is a technical and procedural assessment, not simply the

route showing the largest estimated certificate quantity. Early method selection helps identify what baseline evidence must exist before equipment changes, ensuring evidence can actually be collected and preventing costly delays or ineligibility later.

What information should be established before committing to a PBA VEU project?

Before relying on a certificate contribution in an investment case, establish the governing activity, document version, main eligibility assumptions, calculation basis, evidence responsibilities, and commercial treatment of certificates. Confirm whether the amount is an indicative gross value or what the customer would actually receive after charges. Prepare a screening file documenting site address and premises use, existing and proposed equipment, project stage and intended dates, available energy data, prior incentives and certificate arrangements, and the proposed provider's relevant activity and professional scope. Historical case studies and past certificate values do not establish today's eligibility for a new site.

How do measurement and verification and benchmark rating differ in application?

Measurement and verification determines energy savings by comparing pre- and post-project consumption against comparable conditions, separating equipment improvement from other factors like production changes, weather variation, or operating hours. It requires an agreed boundary, data, and analysis methodology. Benchmark rating uses NABERS ratings to assess eligible activities. Both are project-based methods under Victorian Energy Upgrades with their own rules and specifications. An analysis prepared for one method should not be assumed to satisfy the other. NSW has specific PIAM&V; pathways with different requirements again, emphasizing that scheme requirements vary by jurisdiction.

What does Northmore Gordon deliver in a PBA VEU project?

We deliver a six-stage approach connecting technical assessment, commercial decisions, and ongoing performance. The Assess stage includes energy audits, utility benchmarking, forecasting and metering. Build the Case covers strategy, feasibility studies and investment cases. Capture Value identifies grants, certificates and financing. Deliver involves project management and measurement and verification. Procure addresses energy and renewable attribute purchasing. Perform includes reporting, energy management and performance reviews. Services specifically include project-boundary selection, baseline modelling, savings calculation, and reporting for measurement and verification projects, alongside environmental certificate assessment and support.

What evidence is necessary before a PBA VEU project can proceed?

Evidence requirements depend on the chosen method and scheme specifications. Generally, projects need site address, existing and proposed equipment details, project stage and intended dates, available energy data (bills, interval metering), prior incentives or certificate arrangements, and confirmation of the provider's professional scope. For measurement and verification, the project boundary, baseline conditions, measurement intervals, and implementation records must be defined before equipment changes. Data responsibilities, time-zone treatment, and handling of missing or implausible values should be established. The applicable Victorian Government specifications page provides activity requirements and the Essential Services Commission's relevant approval scope that must be matched to the proposed project.

How can a business evaluate whether a PBA VEU project will deliver commercial value?

Build an investment case using the same operating requirements, analysis period, and price assumptions across alternatives. Keep benefit lines separate: energy reduction quantity and method, tariff or demand effects with applicable assumptions, maintenance or operational benefits, certificate proceeds (eligibility, quantity, price date, and charges), and grant support (specific round, approval status, conditions). Do not add overlapping estimates or assume certificate revenue based on historical

cases. Present the project with and without conditional contributions. Identify the point at which management would need to revisit the decision if support is delayed or unavailable. Use a funding status register distinguishing potential, assessed, applied, approved, and paid support to avoid labelling unconfirmed contributions as secured.

What common mistakes should be avoided in PBA VEU project planning?

Avoid making an early commercial commitment based only on a headline rebate figure without verifying eligibility assumptions and certificate calculation basis. Do not assume historical case studies establish today's eligibility or certificate values for a new site. Avoid combining certificate proceeds, energy savings, tariff reductions, and maintenance benefits without identifying overlaps or interactions between measures. Do not treat unconfirmed funding as committed support in the investment case. Do not confuse estimates, verified energy results, and scheme-recognized certificate quantities—keep these outputs distinct. Finally, do not assume a project can recover every incentive after work is complete; measurement planning and certificate pathway assessment must happen at the relevant project stage, not retrospectively.

When should Northmore Gordon be engaged in a PBA VEU project?

Engage Northmore Gordon at the earliest planning stage by providing a project brief describing the business decision, site location, existing and proposed equipment, available energy data, and decision deadline. Specific timing is critical: certificate specialists should check applicable scheme and activity requirements before detailed design or equipment procurement to avoid ineligibility or cost recovery issues. For measurement and verification projects, engagement early ensures baseline data can be collected before equipment changes. Our six-stage approach allows starting at the right point—whether that is initial assessment, feasibility, measurement planning, or post-implementation verification—based on the project's current status and information available.