

VEU - Northmore Gordon

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VEU

VEU stands for Victorian Energy Upgrades, a Victorian Government energy efficiency scheme that supports eligible improvements through the creation of Victorian Energy Efficiency Certificates (VEECs). Accredited providers create these certificates for activities that meet specific scheme conditions. Eligibility depends on the particular activity, premises, equipment and scheme requirements rather than technical merit alone, so a sensible upgrade is not automatically eligible. Choosing the right project pathway early—whether prescribed activities or project-based methods—helps identify necessary evidence and avoid pursuing the route that only appears to offer the largest certificate quantity.

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What does VEU stand for?

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What are the two project-based assessment methods available under Victorian Energy Upgrades?

The Victorian Government describes two project-based methods: Measurement and Verification (M&V;), which uses pre- and post-upgrade energy information to quantify actual savings, and Benchmark Rating, which uses NABERS ratings to assess eligible activities. M&V; compares energy performance before and after improvements to establish credible savings, requiring systematic data collection and analysis. Benchmark Rating uses NABERS building performance assessments as the comparison baseline. Choosing the method early is critical because it determines what evidence must exist before equipment changes; the correct choice is a technical and procedural assessment, not simply the route showing the largest estimated certificate quantity.

Why should certificate assumptions be clearly separated in a VEU investment case?

Before relying on a certificate contribution in an investment case, you should request the governing activity and document version, main eligibility assumptions, calculation basis, evidence responsibilities, and commercial treatment of certificates. Show certificate price and quantity assumptions separately and confirm whether the stated amount is an indicative gross value or what the customer would actually receive after agreed charges. This clarity prevents overcommitting to unverified funding and ensures management understands the full decision context. Historical case studies cannot establish today's eligibility; exact current specifications and the Essential Services Commission's relevant approval scope must be matched to the proposed project before detailed advice or certificate calculation is finalised.

What is a screening file and why is it important for VEU projects?

A screening file is a project intake document that establishes key information: site address and premises use (confirming jurisdiction and assessment scope), existing and proposed equipment (enabling activity and technical boundary selection), project stage and intended dates (identifying whether prerequisites and measurement are still possible), available energy data (revealing baseline and monitoring gaps), prior incentives and certificate arrangements (allowing compatibility and ownership questions to be checked), and proposed provider and practitioner details (enabling verification of relevant activity and professional scope). Preparing a screening file early helps avoid costly missteps and ensures all eligibility questions are addressed before detailed design or financial commitments.

How does Northmore Gordon help with Victorian Energy Upgrades projects?

Our knowledge library covers the Victorian Energy Upgrades scheme and provides guidance on selecting appropriate project pathways, measurement and verification approaches, investment case development, and funding assessment. We can assist in preparing project briefs, conducting energy audits and feasibility studies, establishing measurement and verification plans, and navigating certificate eligibility and commercial terms. We emphasize starting with a clear business decision and site assessment, then selecting the technical approach that matches scheme requirements rather than pursuing the route with the largest projected certificate quantity. Early engagement helps preserve evidence and funding options while ensuring compliance with current specifications.

Can a past solar, cogeneration or heating project guarantee the same VEU certificate outcome for a new site?

No. A historical project's certificate value and approved methodology are tied to that specific project and the period in which it was approved. Historical cases do not establish today's eligibility for a new site. VEU specifications, activity requirements and the Essential Services Commission's relevant approval scope change over time and must be matched to each proposed project individually. Using historical case studies as a reference point for understanding why measurement and verification mattered is valuable, but exact current specifications must be verified before detailed advice or certificate calculations are finalised. We emphasise checking the Victorian Government's specifications page as a version-discovery starting point and confirming exact current requirements before commitment.

What is the relationship between project timing and VEU eligibility?

Project timing affects VEU eligibility because the applicable specifications, activity requirements and rules vary. Raising funding and measurement questions while the project is still being scoped—not just asking whether an upgrade could save energy—is essential. Describe the stage precisely using separate dates for feasibility approval, investment decision, purchase commitment, installation, commissioning and normal operation. This clarity helps determine whether the proposed project can meet a particular scheme's requirements at its actual stage. Early engagement allows assessment of whether prerequisites and meaningful baseline measurement are still possible, which measurement method is appropriate, and whether evidence responsibilities can be properly assigned before

equipment changes occur.

What key information should be included in a project brief for a VEU assessment?

A useful project brief should define the decision (business problem, decision required, operational requirements and target date), describe the site and project (country, state, facility boundary, sector, equipment and project status), establish chronology (dated list of studies, applications, purchases and commitments), list available evidence (energy bills, interval data, production records, prior studies and funding arrangements), and state the requested output. Early measurement planning is important where outcomes will need verification. Government assessment guidance emphasises that energy data connects to opportunities and business decisions. An incomplete brief can still support an initial conversation if the gaps are visible. We use this structured approach to scope proportionate assessments and identify missing evidence.

How should different benefit lines be treated in a VEU project's investment case?

Keep benefit lines separate: energy reduction (state quantity, boundary, operating period and estimate method), tariff and demand effects (specify applicable tariff and load assumptions), maintenance or operating benefits (describe what changes and how its value was estimated), certificate proceeds (confirm eligibility, quantity, price date, charges and timing), and grant support (identify specific round, approval status and conditions). Do not add overlapping estimates; if two changes reduce the same original load, evaluate their combined operation. This separation allows management to understand the decision and see what could change the outcome. A transparent early-stage case built from distinct benefit assumptions is more useful than a precise-looking return built from unverified inputs combined together.