

VEET Scheme Update \| VEET changes to VEU Program \| 2017

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About this update

This dated government-scheme update is preserved as a historical record and connected to current scheme guidance.

Publication date: December 28, 2017.

Status note: Rules, methods, product requirements, regulators and certificate markets can change after publication. The current legislation, regulator guidance and method documents prevail.

What this article reported

The VEET Scheme changes to the VEU Program

The Victorian Energy Efficiency Target (VEET) Scheme has decided to make a change and rebrand with a new name and new regulations. The VEET Scheme, also known as the Energy Saver Incentive began in 2008 with a purpose to make energy efficiency improvements more affordable, reduce greenhouse gas emissions and encourage energy efficiency. The VEET Scheme has been well-known for offering Victorian's free lighting upgrades and has said to have helped more than 70,000 businesses and 1.7 million households.

Why are they changing the name to Victorian Energy Upgrades Program

The ESC website explains this well. To put it simply, there was confusion on who administers and regulates the program and who set the program policy. The government rebranded the public-facing aspect of VEET to the Victorian Energy Upgrades Program, but the internal administrative side remains known as the VEET Scheme.

Changes for the Victorian Energy Efficiency Target Regulations

Fundamentally the scheme didn't change, the purpose and objectives are relatively the same. The big difference is the scheme is moving with the times and as the industry evolves, the relevant methods change. The new scheme will now include several new activities including a customised way to measure energy savings. The changes in the program will also give previously excluded large energy users the opportunity to benefit from Victorian Energy Upgrades.

How to use this information now

Confirm the activity or method, effective dates, accreditation and product rules, baseline, evidence, audit and registration timing before procurement or implementation. Historical certificate values are not current quotes.

Separate source-reported facts from forecasts, targets and commentary. For a current project, retain the official source, version, effective date, assumptions and decision record in the evidence file.

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What is the Victorian Energy Upgrades (VEU) program and how does it differ from the VEET Scheme?

The Victorian Energy Upgrades (VEU) is the public-facing rebrand of the VEET Scheme, which has operated since 2008 under the VEET Act 2007. The rebrand addressed confusion about program administration and regulation while maintaining the underlying purpose: making energy efficiency improvements more affordable, reducing greenhouse gas emissions, and encouraging efficiency. The scheme has assisted over 70,000 businesses and 1.7 million households. Internally, the administrative framework remains known as the VEET Scheme, but the program objectives and fundamental purpose remained consistent through the transition.

How does the Victorian Energy Upgrades program support eligible improvements?

VEU supports eligible improvements through Victorian Energy Efficiency Certificates (VEECs) created by accredited providers for qualifying activities. The scheme offers two project-based methods: measurement and verification, which uses pre- and post-upgrade energy information to demonstrate savings, and benchmark rating, which uses NABERS ratings to assess performance. Eligibility depends on specific activity, premises, equipment, and scheme conditions; a technically sound upgrade is not automatically eligible. Choosing the correct method early helps identify evidence requirements before equipment changes occur.

What are prescribed activities and project-based activities under VEU?

VEU includes both standardised and tailored project pathways. Prescribed activities use standardised equipment requirements with defined specifications. More complex sites may warrant investigation of project-based activities, which allow detailed assessment beyond prescribed standards. Project-based methods include measurement and verification and benchmark rating. The choice between prescribed and project-based pathways is a technical and procedural assessment, not simply the route showing the largest estimated certificate quantity. We assist in identifying the appropriate pathway and evidence requirements for your site.

What information should be established before pursuing VEU certification?

Before detailed advice or certificate calculations, establish a screening file containing: site address and premises use to confirm jurisdiction; existing and proposed equipment to enable activity and boundary selection; project stage and intended dates to confirm prerequisites remain possible; available energy data to reveal baseline and monitoring gaps; prior incentives and certificate arrangements to check compatibility; and proposed provider and practitioner details to verify relevant scope. This intake process prevents early commercial commitments based on incomplete information and ensures all eligibility assumptions are documented and aligned.

How should energy savings from VEU projects be verified and documented?

Energy savings under VEU must be demonstrated through measurement and verification (M&V) or benchmark rating, depending on the activity selected. M&V establishes a baseline of pre-project conditions, specifies measurement instruments and intervals, records actual implementation details, and calculates savings as the difference between projected and actual post-upgrade consumption. The NSW Government's M&V guide provides a project sequence separating responsibilities of energy

users, service providers, and practitioners. Keep engineering estimates, verified energy results, and scheme-recognised certificate quantities distinct. We provide M&V; services including boundary selection, baseline modelling, and reporting to support your VEU project.

What role do accredited providers play in the Victorian Energy Upgrades program?

Accredited providers create Victorian Energy Efficiency Certificates (VEECs) for eligible activities under VEU. Before relying on a contribution in your investment case, request from the accredited provider: 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 amount is indicative gross value or what you would actually receive after agreed charges. We can review provider submissions and assess whether the stated eligibility assumptions and evidence responsibilities align with current VEU specifications and your project context.

Why is choosing the measurement method early important for VEU projects?

Choosing between prescribed activities, measurement and verification, or benchmark rating early is critical because each method has different evidence requirements that must exist before equipment changes. For measurement and verification, you need representative baseline data and documented operating conditions before installation. For benchmark rating, NABERS ratings data is required. Choosing the method solely on the basis of projected certificate quantity can lead to evidence gaps or ineligible pathways. We assist in assessing which method is technically appropriate and procedurally feasible for your site, based on available evidence and your decision timeline.

What are VEEC quantities and how do they relate to energy savings?

VEECs are tradeable certificates representing notional megawatt-hour (MWh) energy savings. The certificate quantity created depends on the activity, method, equipment specifications, and measured or verified savings. Each certificate's value and eligibility are tied to the specific project, activity version, and approval period—past solar, cogeneration, or heating projects do not establish today's eligibility for new sites. Before treating certificates as project funding, confirm the activity specifications, calculation methodology, evidence quality, and current pricing with an accredited provider. We assess certificate eligibility, value assumptions, and commercial treatment to ensure they are realistic and appropriately reflected in your project investment case.

How does the Essential Services Commission relate to Victorian Energy Upgrades eligibility?

The Essential Services Commission provides relevant approval scope that must be matched to proposed VEU projects. Before finalising detailed advice or certificate calculations, the Essential Services Commission's relevant approval scope and the Victorian Government's current specifications must be confirmed and matched to your specific project requirements. Specifications, activity requirements, and approval scope can change over time. We track updates to Essential Services Commission guidance and Victorian Government specifications to help you identify the correct current requirements and ensure your project planning aligns with current approvals.

What investment case approach should guide a VEU project decision?

Build an investment case that clearly separates energy savings, tariff and demand effects, maintenance benefits, and certificate proceeds as distinct benefit lines. State energy reduction quantity, boundary, operating period, and estimate method. For certificates, document eligibility, quantity, pricing date, applicable charges, and payment timing. Compare the project with and without conditional certificate support so management understands the decision under different funding scenarios. Avoid overlapping estimates and keep historical case-study results separate from your project's actual circumstances. We assist in developing transparent investment cases that distinguish technical performance from commercial assumptions and allow informed decisions.

