

EECCA: Energy Savings Schemes Industry Report launched

Canonical: <https://northmoregordon.com/news/energy-saving-schemes/>

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About this update

This dated news record has been reorganised for clear reading and connected to current guidance.

Publication date: November 23, 2017.

Status note: Present-tense statements, market figures, deadlines and program details in the archived record belong to its publication date. Check current official sources before making a decision.

What this article reported

The Energy Saving Schemes in VIC, NSW, SA & ACT have been very successful in reducing peak load, affordability and emissions. BUT they could do so much more. See EECCA's first industry report .

Mass rollout of LED Lighting to AU factories & warehouses would save as much energy as VIC Hazelwood power station generated. Upgrade all the shops and offices, and we don't need NSW Liddell power station (due to close in 2022).

Sounds hard? In VIC alone Wattly's partners have replaced 15,000 Highbays in the last six months in factories and warehouses, and the VEU program at least 100,000 in total (thousands of factories/warehouses). That's how quickly these programs work.

If more widely deployed the Energy Savings Schemes could meet 50% of Australia's emission reductions targets under the Paris climate accord.

How to use this information now

For current use, confirm the applicable scheme rules, regulator notices, market date and reporting period. Keep historical prices or forecasts separate from present quotes and verified outcomes.

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 are Energy Savings Schemes and which Australian jurisdictions operate them?

Energy Savings Schemes are government programs that create tradeable certificates for eligible energy-saving activities. Victoria operates the Victorian Energy Upgrades (VEU) scheme, which creates Victorian Energy Efficiency Certificates (VEECs) for eligible improvements. New South Wales

operates the NSW Energy Savings Scheme (ESS), which creates Energy Savings Certificates (ESCs) for qualifying activities. Both schemes support improvements through prescribed activities and equipment requirements, or project-based methods using measurement and verification. Our knowledge library provides detailed guidance on assessing eligibility, choosing the right project pathway, and preparing evidence for certificate creation under each scheme.

How do Victorian Energy Upgrades (VEU) and NSW Energy Savings Scheme differ in their project-based approaches?

Victoria's VEU scheme offers two project-based methods: measurement and verification (comparing pre- and post-upgrade energy data) and benchmark rating (using NABERS ratings). NSW's Energy Savings Scheme uses Project Impact Assessment with Measurement and Verification (PIAM&V;), which compares modelled pre-project consumption with measured post-commissioning consumption and requires an approved independent M&V; professional. Both schemes require choosing the method early to identify necessary baseline evidence before equipment changes. We recommend establishing project boundaries and measurement approaches while baseline data can still be obtained, as waiting until immediately before installation can make the intended analysis difficult.

What timing considerations should be established before committing to an energy-saving project?

Project timing is critical because eligibility and funding options depend on precise project stages: feasibility approval, final investment decision, purchase or lease commitment, installation, commissioning, and beginning of normal operation. Raising funding and measurement questions while the project is still being scoped preserves evidence and options. For NSW ESS projects, baseline measurement procedures must be deemed appropriate by an M&V; professional before implementation. For ACCU projects, certain investment and asset commitments may be significant before registration. A suggested decision record should capture each stage's date and relevant evidence. We provide project-timing guidance to help organisations preserve evidence and maintain funding options through a structured coordination approach.

What evidence must be established before investing in an energy-saving project?

A project brief should document: business problem and decision required; site location, sector and existing equipment; chronology of studies, commitments and physical work with dates; and available evidence including energy bills, interval data, production records, studies and equipment documents. For Victorian Energy Upgrades, a screening file should establish site address, existing and proposed equipment, project stage and intended dates, available energy data, prior incentives, and proposed provider qualifications. Available energy history, even incomplete, is more useful than waiting for a perfect dataset. We recommend clearly distinguishing estimates from measured information and appointing one person to coordinate the evidence file across the facility team, installer, advisor and finance team.

Why is choosing the calculation method early important for energy-saving projects?

The calculation method determines what baseline and operating data must be collected before equipment changes occur. In NSW ESS's PIAM&V; pathway, baseline measurement procedures must be deemed appropriate by an M&V; professional before implementation, with written explanatory reasoning provided before the implementation date. In Victorian Energy Upgrades, choosing between measurement and verification or benchmark rating early helps identify which evidence must exist before installation. Waiting until immediately before installation can make the intended analysis impossible. The correct choice is a technical and procedural assessment, not simply the route showing the largest estimated certificate quantity. We emphasise that funding and measurement decisions often need consideration before procurement or installation.

How should energy savings be distinguished from other project benefits in an investment case?

Energy savings, tariff effects, maintenance benefits and certificate revenue must be tracked separately in an investment case. Energy savings should specify quantity, boundary, operating period and estimation method. Tariff or demand effects should state applicable tariff and load assumptions. Maintenance or operating benefits should identify what changes and how its value was estimated. Certificate proceeds should note eligibility, quantity, price date, charges and timing. Before relying on certificate contribution in an investment case, request the governing activity and document version, main eligibility assumptions, calculation basis, evidence responsibilities and commercial treatment. Show certificate price and quantity assumptions separately from other benefits. This separation ensures management understands the decision and sees what could change the outcome.

What are the key differences between Energy Savings Schemes and renewable energy certificates?

Energy Savings Schemes (VEU, NSW ESS, PDRS) create certificates from eligible energy-saving activities and demand-reduction improvements. Renewable energy certificates (STCs, LGCs, REGOs) record renewable electricity generation and attributes. These serve different purposes: energy-efficiency certificates reward consumption reductions, while renewable certificates record generation. A facility may participate in multiple schemes, but the same electricity cannot create both LGCs and REGOs. We recommend keeping instruments separate and asking first whether the activity meets the particular scheme and method requirements. Certificate quantity, eligibility, verification cost and sale price are separate variables. An investment case should compare the base case without unconfirmed proceeds against incentive scenarios, rather than assuming combined support automatically applies.

How should compatibility between multiple funding sources be assessed before project approval?

Before combining support streams, explicitly check restrictions in each programme and the allocation of project costs, outcomes and rights. Do not infer that two incentives can be combined because they have different names. Ask whether previous assistance, commencement or a contractual commitment affects the proposed application. Present the project with and without conditional contributions, identifying the point at which management would need to revisit the decision if support is delayed, reduced or unavailable. Keep the operating merits of the project visible alongside funding options. For certificates, distinguish eligible-in-principle, calculated, submitted, issued and sold stages; an issued certificate still needs its own commercial treatment before becoming cash received. We provide funding assessment to evaluate investment cases across grants, certificates and financing arrangements separately.

What measurement and verification requirements apply to energy-saving projects?

Measurement and verification (M&V;) determines the effect of an energy improvement using an agreed boundary, data and analysis. The central question is what energy use would have been without the intervention under comparable conditions. M&V; must separate energy savings from other factors like production changes, operating hours, weather or price changes. A practical M&V; brief should state purpose (internal performance, investment contract, reporting or certificate scheme), boundary (equipment, meters, energy streams), baseline (pre-project conditions and how operating changes are treated), measurement (instruments, intervals, quality checks, data responsibilities), implementation record (what was installed, commissioning date, other changes), and reporting (calculation, uncertainty, adjustments). Different schemes have different requirements: NSW PIAM&V; requires an approved independent M&V; professional's involvement; Victoria's project-based methods have their own specifications. We provide measurement and verification services including project-boundary selection, baseline modelling and savings calculation.

What should an energy audit scope include to support effective decision-making?

An energy audit's scope should match a real business decision: finding avoidable waste, ranking investments, or examining a particular system before replacement. Australian Government guidance

identifies three audit types: Type 1 (basic overview), Type 2 (more detailed assessment with financial evaluation), and Type 3 (precision assessment of a major subsystem with additional measurement). For each opportunity identified, the audit should document boundary, estimated energy effect, assumptions, implementation dependencies, evidence quality and next decision. Energy savings, tariff savings, maintenance benefits and certificate revenue should be kept separate. Interactions between measures deserve their own treatment. Beginning with at least one year of electricity and fuel history, plus interval data and production volumes, supports effective opportunity identification. Our audit services can confirm scope, site coverage and delivery outputs for specific engagements, matching audit depth to the investment decisions at stake.