



Annual Victorian Energy Upgrades Stakeholder Forum

21 November 2024



Acknowledgement of Country



Dill-ba-din Balluk Biik – Protect Community and Country
Artist: Simone Thomson

Forum agenda

Time	Item
10.00am	Welcome
10.05am	Opening remarks
10.10am	VEU program update
10.20am	Presentation by the CEO, Solar Victoria (VEU-policy focus)
10.35am	Overview of improved VEU Registry
10.45am	Improving program integrity – update on accreditation renewals, audit, compliance and enforcement, and the telemarketing and doorknocking bans
10.55am	Question and answer session
11:25am	Closing remarks

Housekeeping



This session is being recorded



Microphones are muted



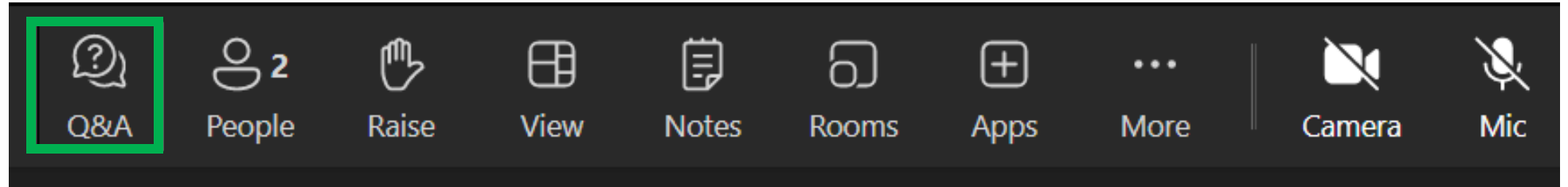
Time for questions after presentations



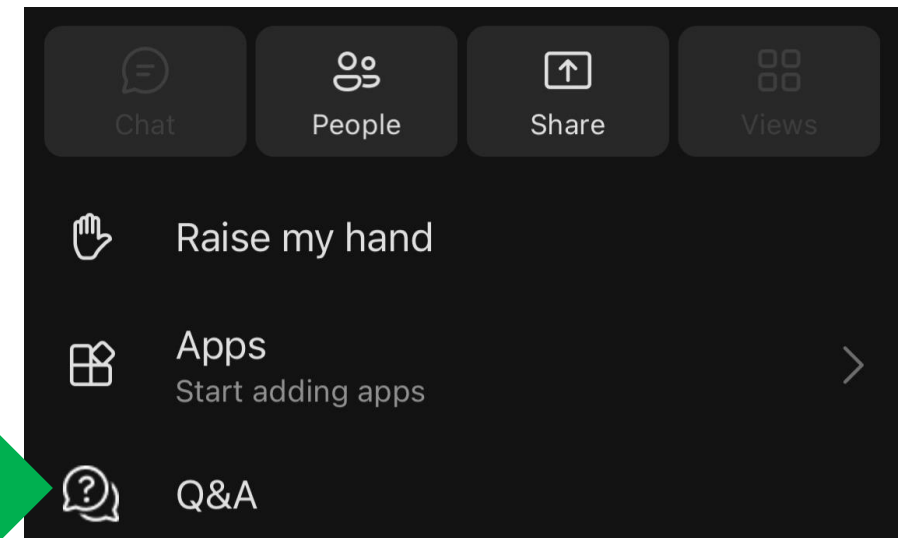
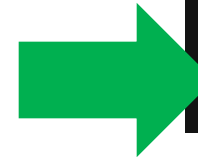
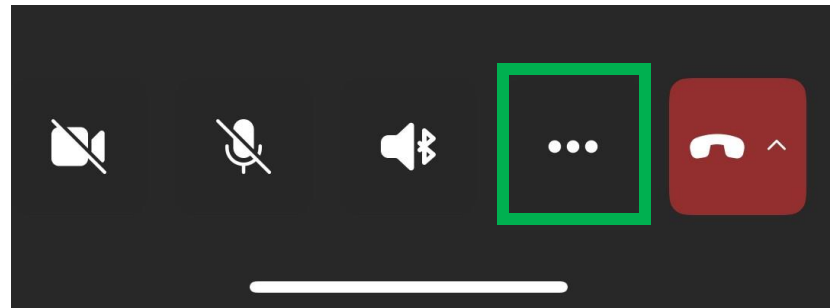
Video recording, presentation and responses to unanswered questions to be available on website post-forum

How to post a question

Computer:



Mobile:





Opening remarks

Rebecca Billings, Commissioner

Essential Services Commission



VEU program update

Caroline Gill, Director, Regulatory
Operations VEU

Essential Services Commission

2024 program snapshot (1 Nov 2023 to 31 October 2024)



Accredited persons: 196



New accredited persons approved: 42



Upgrades delivered: 775,804



Premises upgraded: 490,238



Representative greenhouse gas emissions savings: approximately 4.9 million tonnes

2024 program snapshot (1 Nov 2023 to 31 October 2024)



Certificates created: 4,684,853



Certificates registered: 4,940,156



Certificates withdrawn: 309,007



Products approved: 1104



Project-based activities projects approved: 109



Enquiries received: 9,518

1 Nov 2023 to 31 Oct 2024



4.940 million VEECs registered



Lighting
1.04m



Weather sealing
952k



Water heating
895k



Shower rose
475k



In-home displays
78k



Refrigerated cabinet
133k



PBA activities
316k



Space heating and cooling
1,004m



Pre-rinse spray valve
31k



Cold room
5k



Gas efficiency
5k



HERA
1k



2024 compliance and enforcement snapshot



Warnings issued: 51



Restrictions / conditions imposed: 2



VEECs compulsorily surrendered by APs: 2,753



Accreditations suspended: 1



Shortfall penalties paid by energy retailers: \$29,842,740

Assisting compliance

- **Program updates:** New and updated guidance materials, changes and compliance advice.
- **VEU queries and complaints:** Improved response times.
- **Streamlining communications:** New VEU Bulletin for accredited persons.
- **Compliance advice:** Guidance on requirements when closing out matters.
- **Increased engagement:** Webinars about key changes and requirements.
- **Feedback:** Accredited Person Annual Surveys and other industry feedback opportunities.

Victorian Energy Upgrades Program & Strategic Review

CEO Stan Krpan
Solar Victoria
21 November 2024



solar.vic.gov.au

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Solar
Victoria



The VEU program is key to Victoria's energy transition

As Victoria's largest emissions reduction program, the Victorian Energy Upgrades program is key to the Victorian Government's energy policy.

- **Over 2.4 million** households and businesses supported by the VEU program since its inception in 2009
- **87.3 million t** of greenhouse gas emission abated since 2009, at average price of \$41 per tonne
- **Over \$600 million** in incentives provided to businesses and households in 2023-24, when undertaking upgrades to buildings, appliances and equipment
- **1.2 million VEECs** from heating & cooling electrification upgrades from over 16,000 household upgrades since the activity was introduced in May 2023

To ensure the VEU program will continue to support Victorian households and businesses with their energy bills and reduce emissions into the future, the Victorian Government is pursuing a strong program of work that will secure the future of the program.

Victorian Government's Strategic Review

- \$5.9 million investment over two years to allow time for legislative or regulatory changes
- Focused on outputs and outcomes ensuring the scheme is fit for the future
- VEU Program and Strategic Review will benefit from the expertise and experience developed in the Solar Homes Program delivering electrification at scale.



Scope of review



Purpose and objectives alignment with government policies and commitments



VEECs metric aligns with updated program goals



Targets match updated goals and metric



Activities and products improvements on activities and products, increased participation



AP's / scheme participants strengthened consumer focus, and increased participation



Regulation increased flexibility and responsiveness



Cost and benefits equitable participation in scheme

Strategic review process and engagement

- Expected legislative change agenda
- Stakeholder Reference Group established:
 - Clean Energy Council / Smart Energy Council / Energy Savings Industry Association/ Energy Efficiency Council / Australian Energy Council / Energy Consumers Australia / Environment Victoria / Victorian Council of Social Service & Water Heaters Association Aus
- Solar Victoria and the Essential Services Commission working closely
- Conducting bi-lateral engagements with a wide range of industry and expert stakeholders (40+ to date).
- Initial public survey completed – 260 responses from the public, Accredited Providers, installers, industry organisations, peak bodies, consumer advocates and other scheme participants



Strategic themes emerging from consultation

- 1. Objects of the Act and scheme**
 - Consider electrification, access, equity and efficiency
- 2. The right measure/s**
 - International comparison – no other energy efficiency scheme uses CO2 abated as certificate metric
 - Energy saved
 - Sub targets for vulnerable and low income
 - Need to consider transition
- 3. Access to scheme** – low income, regional
- 4. Putting customers first**, customer journeys, consider demand side
- 5. Mainstream channels to market**
- 6. Improve transparency**
 - Attribution of program
 - Consider disclosure of incentive and margins
 - Consider caps on AP fees
- 7. Safety, standards and quality are core**
- 8. Role of all scheme participants**
 - Aggregators who are not installers
 - Traders
- 9. Role of demand reduction and time of use**
- 10. New technologies, innovation v standards**

Timelines



Now

Data analysis, research and continued consultation



Early 2025

Release discussion paper



Mid 2025

Government consideration

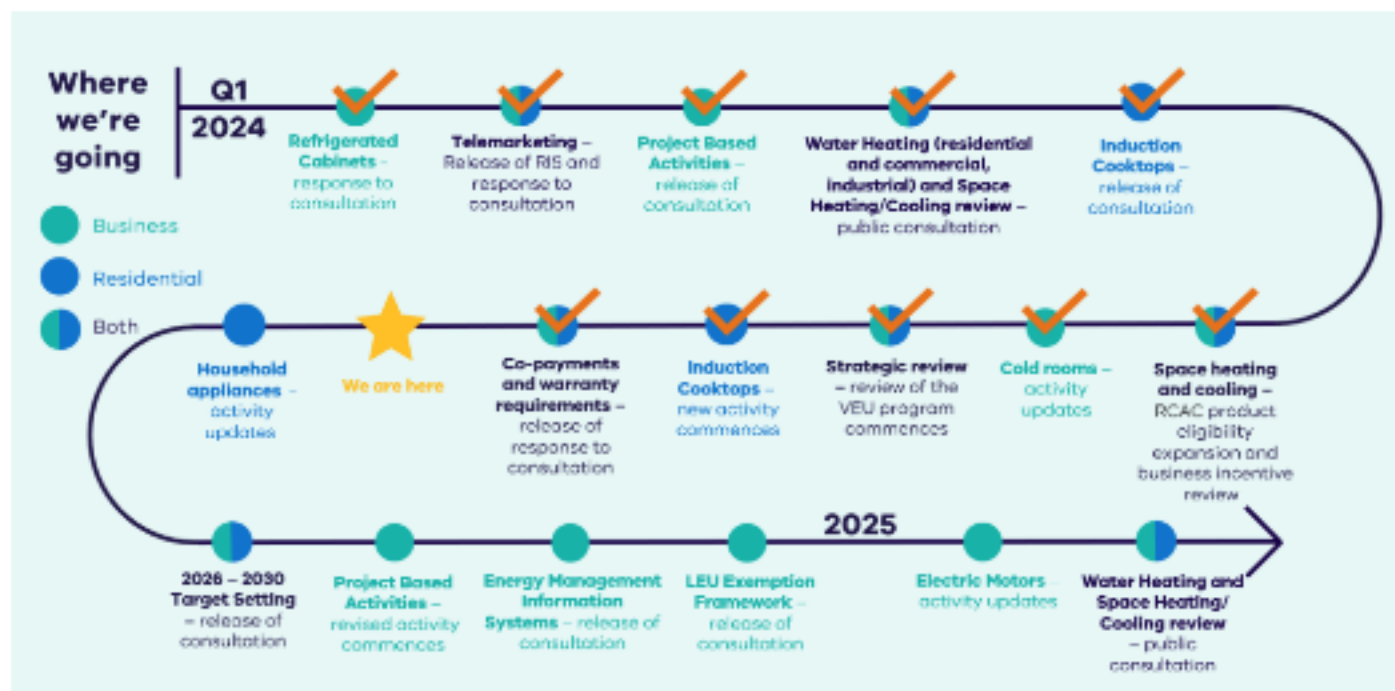


2025-26

Legislative and or regulatory changes

Work will continue throughout the review to secure the program into the future

- **Embedding the program into the future** – Government has recently announced it intends to extend VEU to 2045, to align with Victorian net-zero goals.
- **Consumer protections** – The program has recently introduced a telemarketing and doorknocking ban and will soon introduce product warranties and minimum co-payments, as well as investigate options to encourage price transparency in the program.
- **Leveraging the program for electrification** – To enable the program to deliver more complex, higher skilled upgrades, additional enforcement and compliance powers will be provided for the program regulator and work will need to continue to secure a skilled workforce and encourage participation in the program.





Overview of improved VEU Registry

Kate Harvey, Information Management &
Business Improvement Lead

Essential Services Commission

What's changing in the improved VEU Registry?

Improved system will streamline processes, improve data integrity and the industry user experience.

This includes:

- Online forms you can 'save' and return to later rather than document uploads.
- Requests for further information managed in the system (not email).
- Self registration of account holders and scheme participants (installers).
- Address look up.
- ABN look up.

The screenshot shows the user interface of the VEU Registry application form. At the top, there is a navigation bar with the Essential Services Commission logo and a menu with options: Home, Account (with a dropdown arrow), Accreditation, Scheme participants, Activities, Projects, and VEECs. The main content area is titled 'Steps' and lists seven steps in a vertical sequence, each with a green checkmark icon: Important information, Select activities, Contact details, Applicant details, Target markets and experience, Fit and proper person requirements, and Delivery model. The final step, 'Org structure', is currently selected and highlighted with a blue circle. To the right of the steps, the 'Org structure' section is expanded, showing a form for 'Organisational capability' and 'Organisational chart'. The 'Organisational chart' section includes a text prompt: 'Upload an organisational chart that outlines the structure of the Applicant, sp highlighting the personnel responsible for VEU activities.' Below this prompt are two buttons: 'Upload Files' (with an upload icon) and 'Or drop files'. Further down, there are two radio button questions: 'Does the Applicant, its employees and/or contracted scheme participant' with options 'Yes', 'No', and 'Not applicable'; and 'Does the Applicant have policies and procedures to ensure that releva' with options 'Yes' and 'No'. At the bottom of the form, there is another 'Upload Files' button and a 'Save for later' link.

What else should I know?

- Industry consultations on the portal design from December.
- 'Go live' scheduled for first half of 2025.
- We will:
 - keep you updated on progress, testing opportunities and training before 'go live'
 - provide guidance on what you need to do to verify your account in the new system.

The screenshot shows a web application interface for 'Accreditation Applications'. At the top, there is a navigation bar with links for 'Accreditation', 'Scheme participants', 'Activities', 'Projects', 'VEECs', and 'More'. Below this is a large blue button labeled 'New'. Underneath, there are tabs for 'All applications', 'Draft application', and 'RFIs'. The 'All applications' tab is selected. Below the tabs, there is a dropdown menu for 'Applications' currently set to 'All Accreditations'. Below that, it shows '1 item • Sorted by Application ID • Filtered by All applications'. A table displays the application details:

	Application ID ↑	Account	Applied Date	Status
1	BLA-0000000058	[REDACTED]	1/11/2024, 3:10 am	Submitted



Improving program integrity

Stephanie Morrow, Specialist Advisor,
Regulatory Capability

Caroline Gill, Director, Regulatory
Operations, VEU

Essential Services Commission

Compliance and enforcement case study: Telemarketing/doorknocking project

Project aims

- New laws are understood and followed.
- Level playing field so compliant businesses are not disadvantaged.

Successes so far

- Significant reduction in telemarketing and doorknocking complaints.
- Only 4% of consumer surveys raising concerns of possible breaches.
- Strong engagement from accredited persons.

Future work

- Monthly consumer surveys will continue.
- Currently working on multiple enforcement investigations.

Compliance and enforcement case study: Heat pump water heater installations project

Project aims

- Improve performance so installations are compliant first time, every time.
- Level the playing field so compliant businesses are not disadvantaged.

Successes so far

- Complaints per heat pump installation more than halved for residential and small businesses (excluding telemarketing complaints).
- High levels of compliance with installation requirements this year.

Future work

- Analysing latest compliance reviews so we can share our learnings.
- Continuing to partner with our fellow agencies.

Accreditations

New accreditation rules took effect on 1 July 2023

- ✓ Includes: 'fit and proper' and 'competent and capable' tests and annual accreditation renewal.

Over the past year we have

- ✓ Provided guidance for applicants.
- ✓ Refined process to streamline applications and assessments.
- ✓ Used conditions on accreditations to manage risk, protect consumers and program integrity, and improve performance and compliance.

Future focus – continuous improvement in performance

- ✓ Compliance with conditions placed on accreditations
- ✓ Quality assurance, complaints management, code of conduct (inc. new bans).

Audit

New audit tools

- ✓ Assurance and compliance audits implemented in 2024.

Over the past year we have

- ✓ Appointed a list of VEU auditors (9 appointed).
- ✓ Published a schedule of assurance audits.
- ✓ Commenced round one and two of the assurance audits.
- ✓ Commenced compliance audits.

We are using intelligence gained from the audit processes to

- ✓ Make program improvements.
- ✓ Focus our compliance work.



Questions and answers

Facilitator: Stephanie Morrow

Panel:

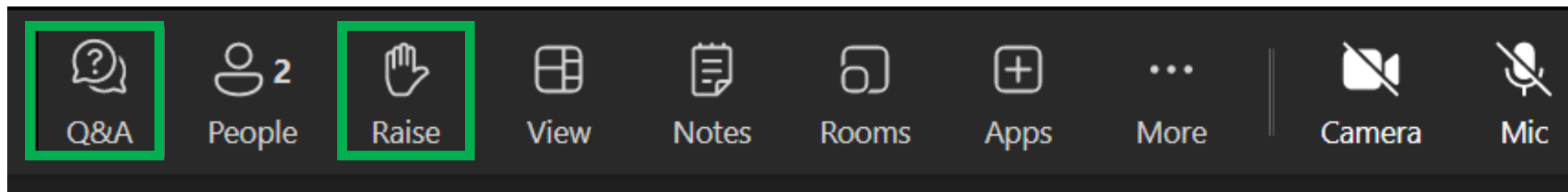
Dan Keely, Essential Services Commission

Kirralee Tyndall, Director, VEU, Solar Victoria

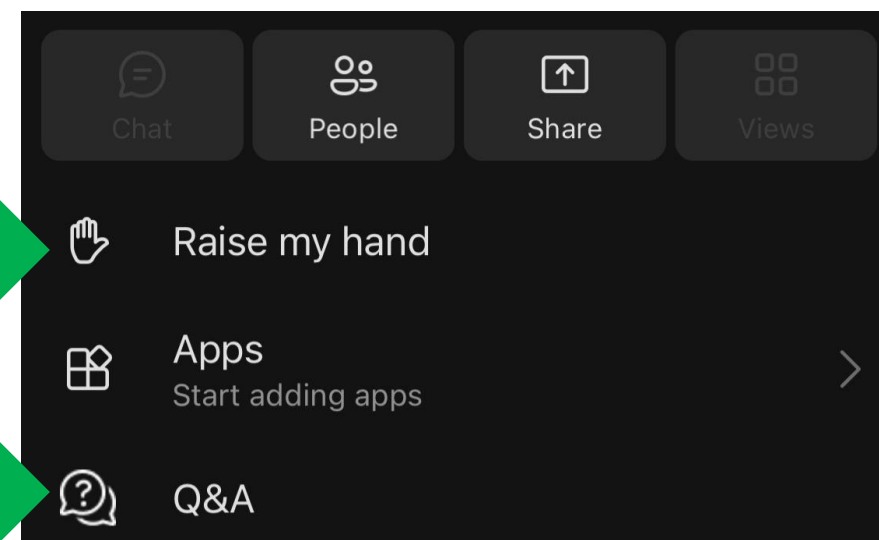
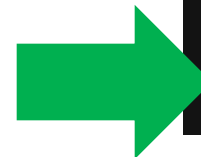
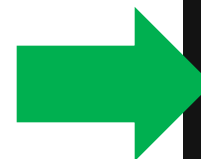
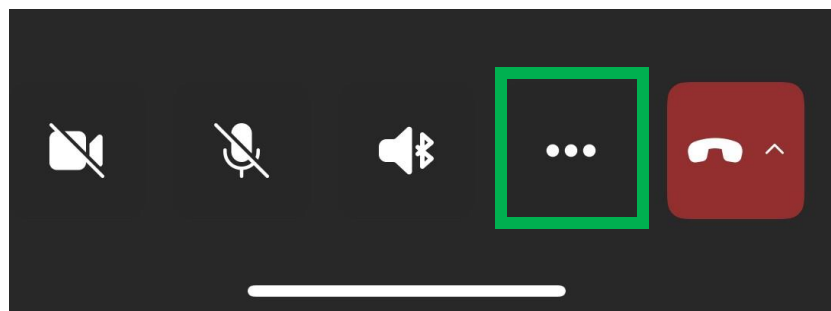
Maggie McNamara, Director,
VEU Strategic Review, Solar Victoria

How to post a question or raise your hand

Computer:



Mobile:



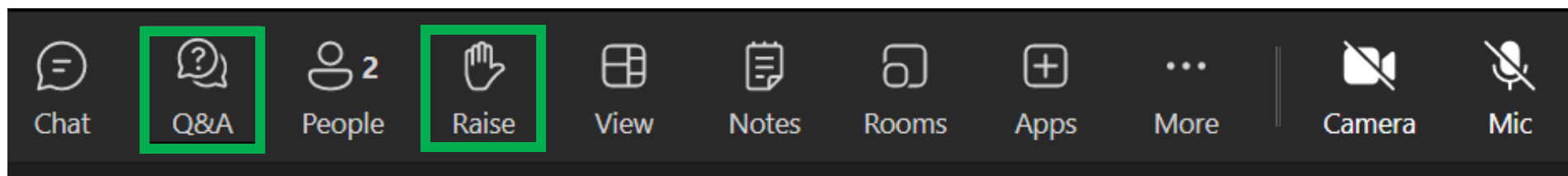
Questions and answers – important information

- Send technical or business-specific questions to: veu@esc.vic.gov.au.
- Similar questions will be addressed once.
- We may respond to some questions in the Q&A window.
- Responses to any unanswered questions will be made available on our website, along with the forum video recording and presentation.

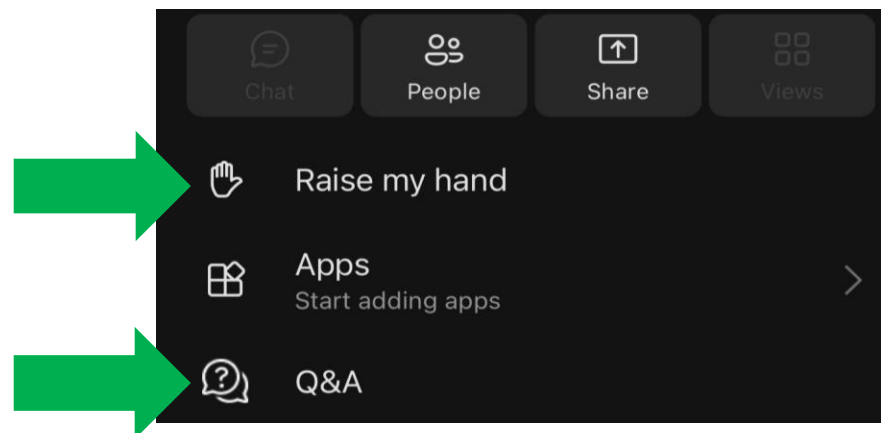
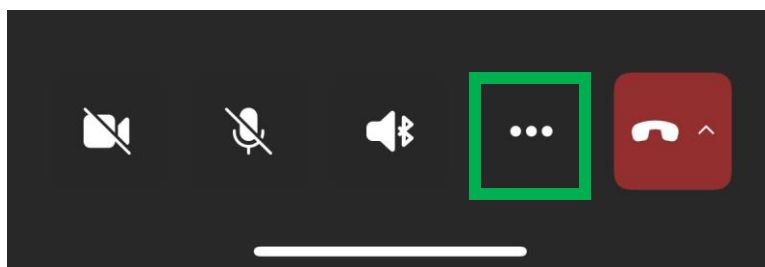
We're taking a short break

- 1. Complete the survey about today's forum:** find link in the Q&A window.
- 2. Ask a question:**
 - Post a question in the Q&A window or 'like' an existing question.
 - Use the 'raise hand' function to ask a question to camera.

Computer:



Mobile:



Contact us

VEU support at the Essential Services Commission:

(03) 9032 1310

veu@esc.vic.gov.au

VEU policy questions – to VEU team at Solar Victoria:

energy.upgrades@deeca.vic.gov.au