

Portfolio: Water, Energy and Emissions Reduction**ACT CLIMATE CHANGE POLICY – COSTS TO COMMUNITY AND CONSUMERS****Talking points:**

- The ACT continues to have among the cheapest electricity prices in Australia while leading the world in climate change response.
- The ACT has reached its 100 per cent by 2020 renewable electricity target, one of the most ambitious targets globally. It has strong community support.
- ACT Government climate change mitigation policies are expected to contribute around \$172.48 to the typical annual electricity bill of an average two person household in the ACT in 2020-21 (\$3.32 per week) using 7,151kWh annually.
- Costs are offset by average annual savings of \$293 per household, and \$2,900 for businesses that have participated in the Government's Energy Efficiency Improvement Scheme (EEIS).
- The contract mechanism the Government has used to secure large-scale renewable electricity is helping offset the impact of rising wholesale electricity costs.
 - The ACT pays the difference between the feed-in tariff price and the wholesale market price. Arrangements partially offset any increases in wholesale prices rise through smaller feed-in tariff support payments.
- The ACT Government is helping households and businesses to manage their energy costs through a variety of programs and services.

Key Information:**Cost breakdown**

- The costs expected for a typical two person Canberra household using 7,151 kWh/yr in 2020-21 are:
 - large FiT component: \$101;
 - small-medium FiT component: \$43.88; and
 - Energy Efficiency Improvement Scheme: \$27.60.
- To date over 70,000 ACT households have directly benefited from the EEIS.

Opportunities to mitigate costs

ACT energy consumers can receive free advice through Actsmart Sustainable Home Advice line (phone: 1300 141 777 or email: ActsmartAdvice@act.gov.au). A range of rebates are also available for households and businesses to save on energy bills. Information is available at actsmart.act.gov.au.

Annual Reporting of Cost of Living Impacts from Climate Change Policies

The ACT Climate Change Strategy 2019-25 was released on 16 September 2019. Together with Canberra's Living Infrastructure Plan: Cooling the City, the Strategy sets out the next phase of the ACT Government's climate response.

The Minister for Water, Energy and Emissions Reduction will report on the cost of living impacts of implementing the Strategy in the Minister's annual report under the *Climate Change and Greenhouse Gas Reduction Act 2010*.

SUSTAINABILITY UPGRADES FOR LOW INCOME HOUSEHOLDS**Talking points:**

- Low income homeowners are supported through the Actsmart Home Energy Efficiency Program, Solar for Low Income Program and Energy Efficiency Improvement Scheme (EEIS). Support is provided through subsidies rebates, energy assessments and energy efficient upgrades, education and general support.
- Since 2013, more than 20,500 priority low-income households have participated in the EEIS.
- For the 20,500 low income priority households participating though the EEIS, over 16,000 rental properties have a deemed lifetime bill savings of over \$70 million.
- The ACT Government has invested \$7 million over 2018 to 2021 through the ACT Government Public Housing Initiative, delivered under the mechanism of the EEIS Priority Household Target (PHT) to improve energy efficiency in public housing to the benefit of low-income householders.
- From this \$7m investment to date approximately 2,500 public housing tenants have benefitted from heating/cooling or hot water installations.
- The ACT Government Public Housing Initiative has (to October 2020) achieved a total abatement of 47,627 tCO₂-e, equivalent to planting approximately 238,000 trees, or taking 17,445 cars off the road for one year.
- Additional support for low income renters has been provided through the fast track stimulus projects with the installation of solar panels across 12 housing properties, including two large apartment complexes with over 110 units.
- The Parliamentary and Government Agreement for the 10th Legislative Assembly includes a measure (A1.iv) to 'implement a 5-year, \$50 million program to improve building efficiency and sustainability for social and public housing, low income owner-occupiers, and the lowest performing rental properties.'
 - Funding to commence this program will be considered as part of the ACT Government budget process.
- The ACT Government Public Housing Initiative was recognised through receiving the award for the Best Energy Saving Program 2020 at the National Energy Efficiency Awards held on the 24th – 26th November 2020.

Key Information

- **The Home Energy Efficiency Program** allows over 850 households per year to benefit from energy assessments and upgrades including draught proofing, curtains, refrigerators as well as warm bedding and energy saving kits. In the 2019-20 financial year the program assisted a total of 1284 households
- **The Solar for Low Income program** provides a rebate of up to \$2,500 to eligible participants. Up to 700 households are expected to benefit from subsidised solar installations and 20 from fully subsidised systems. To date there has been a total of 591 installs.
- **The Housing ACT Energy Efficiency Program** provides support for over 2,500 households through the installation of energy efficient heaters and hot water systems, as well as education and draught proofing.
- **The All Electric Program** has provided upgrades to 86 public housing properties with 61 properties already being disconnected from the gas network.
- **The EEIS's PHT** is the mechanism within the EEIS legislation that requires large electricity retailers to achieve a percentage of their energy savings in households that experience financial barriers. The PHT is set at 30% for the years 2020 and 2021 to support low income households to reduce their energy bills.

Portfolio: Water, Energy and Emissions Reduction

ACT CLIMATE CHANGE POLICY – COSTS TO COMMUNITY AND CONSUMERS

Talking points:

- The ACT continues to have among the cheapest electricity prices in Australia while leading the world in climate change response.
- The ACT has reached its 100 per cent by 2020 renewable electricity target, one of the most ambitious targets globally. It has strong community support.
- ACT Government climate change mitigation policies are expected to contribute around \$172.48 to the typical annual electricity bill of an average two person household in the ACT in 2020-21 (\$3.32 per week) using 7,151kWh annually.
- Passthrough costs of the EEIS are offset by reduced energy demand, placing downward pressure on electricity prices.
- The contract mechanism the Government has used to secure large-scale renewable electricity is helping offset the impact of rising wholesale electricity costs.
 - The ACT pays the difference between the feed-in tariff price and the wholesale market price. Arrangements partially offset any increases in wholesale prices rise through smaller feed-in tariff support payments.
- The ACT Government is helping households and businesses to manage their energy costs through a variety of programs and services.

Key Information:

Cost breakdown

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- large FiT component: \$101;
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The Minister for Water, Energy and Emissions Reduction will report on the cost of living impacts of implementing the Strategy in the Minister's annual report under the *Climate Change and Greenhouse Gas Reduction Act 2010*.

SUSTAINABILITY UPGRADES FOR LOW INCOME HOUSEHOLDS**Talking points:**

- Low income homeowners are supported through the Actsmart Home Energy Efficiency Program, Solar for Low Income Program and Energy Efficiency Improvement Scheme (EEIS). Support is provided through subsidies rebates, energy assessments and energy efficient upgrades, education and general support.
- Since 2013, more than 21,100 priority low-income households have participated in the EEIS.
- For the 21,100 low income priority households and over 16,000 rental properties there is a deemed lifetime bill savings of over \$75 million.
- The ACT Government has invested \$7 million over 2018 to 2021 through the ACT Government Public Housing Initiative, delivered under the mechanism of the EEIS Priority Household Target (PHT) to improve energy efficiency in public housing to the benefit of low-income householders.
- From this \$7m investment to date approximately 2,685 public housing tenants have benefitted from heating/cooling or hot water installations.
- The ACT Government Public Housing Initiative has (to December 2020) achieved a total abatement of 50,447 tCO₂-e, equivalent to planting approximately 252,200 trees, or taking 18,478 cars off the road for one year.
- Additional support for low income renters has been provided through the fast track stimulus projects with the installation of solar panels across 12 housing properties, including two large apartment complexes with over 110 units.
- The Parliamentary and Government Agreement for the 10th Legislative Assembly includes a measure (A1.iv) to 'implement a 5-year, \$50 million program to improve building efficiency and sustainability for social and public housing, low income owner-occupiers, and the lowest performing rental properties.'
 - Funding to commence this program will be considered as part of the ACT Government budget process.
- The ACT Government Public Housing Initiative was recognised through receiving the award for the Best Energy Saving Program 2020 at the National Energy Efficiency Awards held on the 24th – 26th November 2020.

Key Information

- **The Home Energy Efficiency Program** allows over 850 households per year to benefit from energy assessments and upgrades including draught proofing, curtains, refrigerators as well as warm bedding and energy saving kits. In the 2019-20 financial year the program assisted a total of 1284 households
- **The Solar for Low Income program** provides a rebate of up to \$2,500 to eligible participants. Up to 700 households are expected to benefit from subsidised solar installations and 20 from fully subsidised systems. To date there has been a total of 607 installs.
- **The Housing ACT Energy Efficiency Program** provides support for over 2,500 households through the installation of energy efficient heaters and hot water systems. Education and draught proofing is also being provided to over 800 of the households..
- **The All Electric Trial** has provided upgrades to 111 public housing properties with 61 properties disconnected from the gas network. Ongoing work continues to disconnect the remaining properties.
- **The EEIS's PHT** is the mechanism within the EEIS legislation that requires large electricity retailers to achieve a percentage of their energy savings in households that experience financial barriers. The PHT is set at 30% for the years 2020 and 2021 to support low income households to reduce their energy bills.

Portfolio: Water, Energy and Emissions Reduction**Energy Efficiency Improvement Scheme**

Note: Figures provided in this QTB are accurate as at 30 June 2020

Talking points:

- The Energy Efficiency Improvement Scheme (EEIS) has been extended to 2030, as a key mechanism for delivering on the ACT Climate Change Strategy 2019-2025. Key changes include:
 - Measuring savings in energy instead of GHG emissions to reflect the ACT's move to 100% renewable electricity from 2020;
 - Expanding beyond stationary energy to cover transport activities;
 - Increasing opportunities for priority households to improve their energy efficiency.
- The Priority Household Target (PHT) remains at 30% for 2021 and ensures assistance is provided to low-income households. The ACT Government is investing \$7 million from 2018 to June 2021 to improve energy efficiency in public housing.
- The Energy Savings Target (EST) is set at 8.6% for the 2021 compliance period. The EST requires larger electricity retailers (Tier 1) to provide lifetime energy savings of 8.6% of their annual electricity sales. Smaller electricity retailers (Tier 2) have the option to pay an Energy Savings Contribution of 8.6% of their electricity sales.
- The only Tier 1 retailer, ActewAGL, continued to deliver EEIS activities to households and businesses in line with relevant Covid-safe practices throughout 2020.

Key Information

- Since 2013, over 78,000 households and businesses have benefited from the Scheme, including more than 20,500 priority households.
- Over 1.35 million energy saving items have been installed, delivering more than 7 million gigajoules (GJ) of lifetime energy savings, over \$445 million of lifetime energy bill savings and lifetime greenhouse gas emission reductions of around 580,000 tonnes (tCO₂-e). This is equivalent to taking approximately 190,000 cars off Canberra roads for a year.
- More than 45% of ACT households have participated in the Scheme and are saving an average of \$5.80 per week. For the 20,500 priority households and over 16,000 rental properties, there is a lifetime bill savings of over \$70 million.
- In 2019-20, the EEIS is estimated to have delivered annual energy cost savings of more than \$300 for the average ACT household, and around \$1,100 for 1,774 priority households.
- Over the lifetime of the Scheme, the EEIS has provided commercial LED lighting upgrades to approximately 3,800 small and medium-sized businesses, worth almost

Cleared as complete and accurate: 23/03/2021

Cleared for public release by: Executive Group Manager Ext:62054752

Contact Officer name: Ros Malouf Ext:62075335

Lead Directorate: Environment, Planning and Sustainable Development

\$200 million in lifetime energy bill savings. Average lifetime energy bill savings over a ten-year period is about \$50,000. This equates to \$100 per week in bill savings.

- The *EPSDD Annual Report 2019-20* states the following eligible activities were delivered in 2019-20 to ACT households (including priority households) and businesses:

Eligible activities undertaken in 2019–20 FY

| Activity No. | Description | Number of items installed | Number of Premises |
|---|--|---------------------------|--------------------|
| 2.1 | Install a high–efficiency ducted reverse cycle electric heat pump heater (replace inefficient ducted gas heaters) | 651 | 651 |
| 2.3 | Install a specified high–efficiency electric room heater | 1469 | 1457 |
| 2.4 | Install insulated space–conditioning ductwork (decommission all existing space–conditioning ductwork that is connected to an operable ducted heater) | 722 | 722 |
| 3.1 and 3.2 | Decommission an electric–resistance water heater or gas or LPG hot water system and installation of a specified high–efficiency water heater | 462 | 461 |
| 4.2 | Commercial lighting upgrade— upgrade of building lighting equipment in a business premises by replacing it with more efficient lighting equipment | 46,095 | 665 |
| 5.1 | Decommissioning and disposal of refrigerator or freezer—removing a refrigerator or freezer in working order, from a premise and destroying the refrigerator or freezer | 1521 | 945 |
| Total number of energy saving items and premises | | 50,920 | 4901 |

Background Information

- The EEIS was established under the *Energy Efficiency (Cost of Living) Improvement Act 2012*. It requires electricity retailers to achieve energy savings in households and small-to-medium businesses. Smaller Tier 2 retailers can opt to pay an ‘Energy Savings Contribution’.
- Activities delivered under the EEIS support the ACT Government’s transition from natural gas to electricity and appliances are energy-efficient electric systems.
- The EEIS adds an average of 55c per week to ACT Households’ electricity bills (for a two-person household and based on 2019-20 figures) in pass through costs to electricity retailer customers.

Portfolio: Water, Energy and Emissions Reduction

ACT CLIMATE CHANGE POLICY – COSTS TO COMMUNITY AND CONSUMERS

Talking points:

- The ACT continues to have among the cheapest electricity prices in Australia while leading the world in climate change response.
- The ACT has reached its 100 per cent by 2020 renewable electricity target, one of the most ambitious targets globally. It has strong community support.
- ACT Government climate change mitigation policies are expected to contribute around \$172.48 to the typical annual electricity bill of an average two person household in the ACT in 2020-21 (\$3.32 per week) using 7,151kWh annually.
- Passthrough costs of the EEIS are offset by reduced energy demand, placing downward pressure on electricity prices.
- The contract mechanism the Government has used to secure large-scale renewable electricity is helping offset the impact of rising wholesale electricity costs.
 - The ACT pays the difference between the feed-in tariff price and the wholesale market price. Arrangements partially offset any increases in wholesale prices rise through smaller feed-in tariff support payments.
- The COVID-19 pandemic has had an impact on wholesale electricity prices. This unforeseen change in wholesale prices will see the cost of the Territory's large-scale feed-in tariff scheme increase in 2021-22, which will in turn increase the cost to households.
- The ACT Government is helping households and businesses to manage their energy costs through a variety of programs and services.

Key Information:

Cost breakdown

- The costs expected for a typical two person Canberra household using 7,151 kWh/yr in 2020-21 are:
- large FiT component: \$101;
- small-medium FiT component: \$43.88; and
- Energy Efficiency Improvement Scheme: \$27.60.
- To date over 70,000 ACT households have directly benefited from the EEIS.

Opportunities to mitigate costs

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|-----------------------------------|---|------------|
| Cleared as complete and accurate: | 24/03/2021 | |
| Cleared for public release by: | Executive Group Manager | Ext: 54752 |
| Contact Officer name: | Daniel Harding | Ext: 77533 |
| Lead Directorate: | Environment, Planning and Sustainable Development | |

Annual Reporting of Cost of Living Impacts from Climate Change Policies

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The Minister for Water, Energy and Emissions Reduction will report on the cost of living impacts of implementing the Strategy in the Minister's annual report under the *Climate Change and Greenhouse Gas Reduction Act 2010*.

Portfolio: Water, Energy and Emissions Reduction

Energy Efficiency Improvement Scheme

Note: Figures provided in this QTB are accurate as at 30 June 2020

Talking points:

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 - Measuring savings in energy instead of GHG emissions to reflect the ACT's move to 100% renewable electricity from 2020;
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- The Priority Household Target (PHT) remains at 30% for 2021 and ensures assistance is provided to low-income households. The ACT Government is investing \$7 million from 2018 to June 2021 to improve energy efficiency in public housing.
- The Energy Savings Target (EST) is set at 8.6% for the 2021 compliance period. The EST requires larger electricity retailers (Tier 1) to provide lifetime energy savings of 8.6% of their annual electricity sales. Smaller electricity retailers (Tier 2) have the option to pay an Energy Savings Contribution of 8.6% of their electricity sales.
- The only Tier 1 retailer, ActewAGL, continued to deliver EEIS activities to households and businesses in line with relevant Covid-safe practices throughout 2020.

Key Information

- Since 2013, over 78,000 households and businesses have benefited from the Scheme, including more than 20,500 priority households.
- Over 1.35 million energy saving items have been installed, delivering more than 7 million gigajoules (GJ) of lifetime energy savings, over \$445 million of lifetime energy bill savings and lifetime greenhouse gas emission reductions of around 580,000 tonnes (tCO₂-e). This is equivalent to taking approximately 190,000 cars off Canberra roads for a year.
- More than 45% of ACT households have participated in the Scheme and are saving an average of \$5.80 per week. For the 20,500 priority households and over 16,000 rental properties, there is a lifetime bill savings of over \$70 million.
- In 2019-20, the EEIS is estimated to have delivered annual energy cost savings of more than \$300 for the average ACT household, and around \$1,100 for 1,774 priority households.
- Over the lifetime of the Scheme, the EEIS has provided commercial LED lighting upgrades to approximately 3,800 small and medium-sized businesses, worth almost

Cleared as complete and accurate: 15/04/2021
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Lead Directorate: Environment, Planning and Sustainable Development

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Key Information

- Since 2013, over 78,000 households and businesses have benefited from the Scheme, including more than 20,500 priority households.
- Over 1.35 million energy saving items have been installed, delivering more than 7 million gigajoules (GJ) of lifetime energy savings, over \$445 million of lifetime energy bill savings and lifetime greenhouse gas emission reductions of around 580,000 tonnes (tCO₂-e). This is equivalent to taking approximately 190,000 cars off Canberra roads for a year.
- More than 45% of ACT households have participated in the Scheme and are saving an average of \$5.80 per week. For the 20,500 priority households and over 16,000 rental properties, there is a lifetime bill savings of over \$70 million.
- In 2019-20, the EEIS is estimated to have delivered annual energy cost savings of more than \$300 for the average ACT household, and around \$1,100 for 1,774 priority households.
- Over the lifetime of the Scheme, the EEIS has provided commercial LED lighting upgrades to approximately 3,800 small and medium-sized businesses, worth almost

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- Passthrough costs of the EEIS are offset by reduced energy demand, placing downward pressure on electricity prices.
- Since 2013, over 78,000 households and businesses have benefited from the Scheme, including more than 20,500 priority households.
- More than 45% of ACT households have participated in the Scheme and are saving an average of \$5.80 per week. For the 20,500 priority households and over 16,000 rental properties, there is a lifetime bill savings of over \$70 million.
- In 2019-20, the EEIS is estimated to have delivered annual energy cost savings of more than \$300 for the average ACT household, and around \$1,100 for 1,774 priority households.
- Changes to wholesale electricity prices, in part in response to COVID-19, will see the cost of the Territory's large-scale feed-in tariff scheme increase in 2021-22. Due to this, Evoenergy's Network Pricing Proposal for 2021/22 proposes an increase in the cost of the ACT's jurisdictional costs of approximately 134% in 2021/22, compared to 2020/21 costs.
- These jurisdictional costs were less than 10% of retail electricity costs in 2020-21. The final impact on retail prices will not be known until other impacts are included, including the direct flow through of lower wholesale electricity prices to retail costs. The Australian Energy Regulator will consider the proposal, with final approval expected in May 2021.
- The ACT Government is helping households and businesses to manage their energy costs through a variety of programs and services.

Key Information:Cost breakdown

- The costs expected for a typical two person Canberra household using 7,151 kWh/yr in 2020-21 are:
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- The ACT continues to have electricity prices that are comparable with other jurisdictions, while leading the world in climate change response.
- The ACT has reached its 100 per cent by 2020 renewable electricity target, one of the most ambitious targets globally. It has strong community support.
- ACT Government climate change mitigation policies are expected to contribute around \$365 to the typical annual electricity bill of an average household in the ACT in 2021-22 (\$7.03 per week) using 6,500kWh annually.
- Passthrough costs of the EEIS are offset by reduced energy demand, placing downward pressure on electricity prices.
- From the inception of the EEIS in 2013 up to 30 June 2020, over 78,000 households and businesses had benefited from the Scheme, including more than 20,500 priority households.
- Within the same timeframe, more than 45% of ACT households participated in the Scheme and were saving an average of \$5.80 per week. For the 20,500 priority households and over 16,000 rental properties, there is a lifetime bill savings of over \$70 million.
- In 2019-20, the EEIS is estimated to have delivered annual energy cost savings of more than \$300 for the average ACT household, and around \$1,100 for 1,774 priority households.
- Changes to wholesale electricity prices, in part in response to COVID-19, will see the cost of the Territory's large-scale feed-in tariff scheme increase in 2021-22. In recent years, the costs of meeting our 100% renewable electricity target have been lower than originally anticipated, due to wholesale electricity prices.
- This year's energy price increase is in part due to historically low wholesale electricity prices.
 - It is impossible to predict future prices with certainty. However, we have already seen a return to more "normal" wholesale electricity prices.
- If this trend continues, we could reasonably expect to see a reduction in electricity prices in future years.
- These jurisdictional costs were less than 10% of retail electricity costs in 2020-21, in 2021-22 they will rise to approximately 20%.
- The ACT Government is helping households and businesses to manage their energy costs through a variety of programs and services.

Key Information:

Cost breakdown

- The annual costs expected for an average Canberra household using 6,500 kWh/yr in 2021-22 are:
- large FiT component: \$307;
- small-medium FiT component: \$37.57; and
- Energy Efficiency Improvement Scheme: \$20.74
- Up to 30 June 2020, over 78,000 ACT households and businesses had directly benefited from the EEIS.

Opportunities to mitigate costs

- ACT energy consumers can receive free advice through Actsmart Sustainable Home Advice line (phone: 1300 141 777 or email: ActsmartAdvice@act.gov.au). A range of rebates are also available for households and businesses to save on energy bills. Information is available at actsmart.act.gov.au.
- Analysis by the Australian Energy Market Commission indicates households can save hundreds of dollars through switching to different pricing plans. So, shopping around for retailers and asking retailers for better deals is important.
- For those in particular need, government utility concessions are available for some households of \$750 per year, an increase of \$50. The Government is also providing an additional one-off \$50 increase to the utilities concession for 2021-22, taking the payment for next year to \$800.
- In 2020-21, the ACT Government provided Utilities Hardship funding for \$100 vouchers to eligible customers with participating retailers. This program will be extended to 2021-22.
- The government will also be funding an energy literacy program to fund community groups to help citizens better navigate the complex web of energy pricing.

Annual Reporting of Cost of Living Impacts from Climate Change Policies

The ACT Climate Change Strategy 2019-25 was released on 16 September 2019. Together with Canberra's Living Infrastructure Plan: Cooling the City, the Strategy sets out the next phase of the ACT Government's climate response.

The Minister for Water, Energy and Emissions Reduction will report on the cost of living impacts of implementing the Strategy in the Minister's annual report under the *Climate Change and Greenhouse Gas Reduction Act 2010*.

Portfolio: Water, Energy and Emissions Reduction**Energy Efficiency Improvement Scheme**

Note: Figures provided in this QTB are accurate as at 30 June 2020

Talking points:

- The Energy Efficiency Improvement Scheme (EEIS) has been extended to 2030, as a key mechanism for delivering on the ACT Climate Change Strategy 2019-2025. Key changes include:
 - Measuring savings in energy instead of GHG emissions to reflect the ACT's move to 100% renewable electricity from 2020;
 - Expanding beyond stationary energy to cover transport activities;
 - Increasing opportunities for priority households to improve their energy efficiency.
- The Priority Household Target (PHT) remains at 30% for 2021 and ensures assistance is provided to low-income households. The ACT Government is investing \$7 million from 2018 to June 2021 to improve energy efficiency in public housing.
- The Energy Savings Target (EST) is set at 8.6% for the 2021 compliance period. The EST requires larger electricity retailers (Tier 1) to provide lifetime energy savings of 8.6% of their annual electricity sales. Smaller electricity retailers (Tier 2) have the option to pay an Energy Savings Contribution (ESC) of 8.6% of their electricity sales.
- Key EEIS parameters – including the EST, PHT, ESC and Shortfall Penalty – have been reviewed in light of the Scheme's performance in 2021. Parameters for the 2022 compliance period are set to be notified by 30 June 2021.

Key Information

- Since 2013, over 78,000 households and businesses have benefited from the Scheme, including more than 20,500 priority households.
- Over 1.35 million energy saving items have been installed, delivering more than 7 million gigajoules (GJ) of lifetime energy savings, over \$445 million of lifetime energy bill savings and lifetime greenhouse gas emission reductions of around 580,000 tonnes (tCO₂-e). This is equivalent to taking approximately 190,000 cars off Canberra roads for a year.
- More than 45% of ACT households have participated in the Scheme and are saving an average of \$5.80 per week. For the 20,500 priority households and over 16,000 rental properties, there is a lifetime bill savings of over \$70 million.
- In 2019-20, the EEIS is estimated to have delivered annual energy cost savings of more than \$300 for the average ACT household, and around \$1,100 for 1,774 priority households.

Cleared as complete and accurate: 16/06/2021
Cleared for public release by: Executive Group Manager Ext:62054752
Contact Officer name: Ros Malouf Ext:62075335
Lead Directorate: Environment, Planning and Sustainable Development

- Over the lifetime of the Scheme, the EEIS has provided commercial LED lighting upgrades to approximately 3,800 small and medium-sized businesses, worth almost \$200 million in lifetime energy bill savings. Average lifetime energy bill savings over a ten-year period is about \$50,000. This equates to \$100 per week in bill savings.
- The *EPSDD Annual Report 2019-20* states the following eligible activities were delivered in 2019-20 to ACT households (including priority households) and businesses:

Eligible activities undertaken in 2019–20 FY

| Activity No. | Description | Number of items installed | Number of Premises |
|---|--|---------------------------|--------------------|
| 2.1 | Install a high-efficiency ducted reverse cycle electric heat pump heater (replace inefficient ducted gas heaters) | 651 | 651 |
| 2.3 | Install a specified high-efficiency electric room heater | 1469 | 1457 |
| 2.4 | Install insulated space-conditioning ductwork (decommission all existing space-conditioning ductwork that is connected to an operable ducted heater) | 722 | 722 |
| 3.1 and 3.2 | Decommission an electric-resistance water heater or gas or LPG hot water system and installation of a specified high-efficiency water heater | 462 | 461 |
| 4.2 | Commercial lighting upgrade— upgrade of building lighting equipment in a business premises by replacing it with more efficient lighting equipment | 46,095 | 665 |
| 5.1 | Decommissioning and disposal of refrigerator or freezer—removing a refrigerator or freezer in working order, from a premise and destroying the refrigerator or freezer | 1521 | 945 |
| Total number of energy saving items and premises | | 50,920 | 4901 |

Background Information

- The EEIS was established under the *Energy Efficiency (Cost of Living) Improvement Act 2012*. It requires electricity retailers to achieve energy savings in households and small-to-medium businesses. Smaller Tier 2 retailers can opt to pay an 'Energy Savings Contribution'.
- Activities delivered under the EEIS support the ACT Government's transition from natural gas to electricity and appliances are energy-efficient electric systems.
- The EEIS adds an average of 55c per week to ACT Households' electricity bills (for a two-person household and based on 2019-20 figures) in pass through costs to electricity retailer customers.

Portfolio: Water, Energy and Emissions Reduction

ACT CLIMATE CHANGE POLICY – COSTS TO COMMUNITY AND CONSUMERS

Talking points:

- The ACT continues to have electricity prices that are comparable with other jurisdictions, while leading the world in climate change response.
- The ACT has reached its 100 per cent by 2020 renewable electricity target, one of the most ambitious targets globally. It has strong community support.
- ACT Government climate change mitigation policies are expected to contribute around \$365 to the typical annual electricity bill of an average household in the ACT in 2021-22 (\$7.03 per week) using 6,500kWh annually.
- Passthrough costs of the EEIS are offset by reduced energy demand, placing downward pressure on electricity prices.
- From the inception of the EEIS in 2013 up to 30 June 2020, over 78,000 households and businesses had benefited from the Scheme, including more than 20,500 priority households.
- Within the same timeframe, more than 45% of ACT households participated in the Scheme and were saving an average of \$5.80 per week. For the 20,500 priority households and over 16,000 rental properties, there is a lifetime bill savings of over \$70 million.
- In 2019-20, the EEIS is estimated to have delivered annual energy cost savings of more than \$300 for the average ACT household, and around \$1,100 for 1,774 priority households.
- Changes to wholesale electricity prices, in part in response to COVID-19, will see the cost of the Territory's large-scale feed-in tariff scheme increase in 2021-22. In recent years, the costs of meeting our 100% renewable electricity target have been lower than originally anticipated, due to wholesale electricity prices.
- This year's energy price increase is in part due to historically low wholesale electricity prices.
 - It is impossible to predict future prices with certainty. However, we have already seen a return to more "normal" wholesale electricity prices.
- If this trend continues, we could reasonably expect to see a reduction in electricity prices in future years.
- These jurisdictional costs were less than 10% of retail electricity costs in 2020-21, in 2021-22 they will rise to approximately 20%.
- The ACT Government is helping households and businesses to manage their energy costs through a variety of programs and services.

Key Information:

Cost breakdown

- The annual costs expected for an average Canberra household using 6,500 kWh/yr in 2021-22 are:
 - large FiT component: \$307;
 - small-medium FiT component: \$37.57; and
 - Energy Efficiency Improvement Scheme: \$20.74

Opportunities to mitigate costs

- ACT energy consumers can receive free advice through Actsmart Sustainable Home Advice line (phone: 1300 141 777 or email: ActsmartAdvice@act.gov.au). A range of rebates are also available for households and businesses to save on energy bills. Information is available at actsmart.act.gov.au.
- Analysis by the Australian Energy Market Commission indicates households can save hundreds of dollars through switching to different pricing plans. So, shopping around for retailers and asking retailers for better deals is important.
- For those in particular need, government utility concessions are available for some households of \$750 per year, an increase of \$50. The Government is also providing an additional one-off \$50 increase to the utilities concession for 2021-22, taking the payment for next year to \$800.
- In 2020-21, the ACT Government provided Utilities Hardship funding for \$100 vouchers to eligible customers with participating retailers. This program will be extended to 2021-22.
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The Minister for Water, Energy and Emissions Reduction will report on the cost of living impacts of implementing the Strategy in the Minister's annual report under the *Climate Change and Greenhouse Gas Reduction Act 2010*.

Shane Rattenbury MLA
Attorney-General
Minister for Consumer Affairs
Minister for Water, Energy and Emissions Reduction
Minister for Gaming

Member for Kurrajong

RESPONSE TO QUESTION ON NOTICE
Questions on Notice Paper No 7
25 June 2021
Question No. 333

MS CASTLEY – To ask the Minister for Water, Energy and Emissions Reduction:

- (1) What research informed the government’s policies on which appliances would qualify for assistance, rebates, and subsidies in households under the Energy Efficiency Improvement Scheme (EEIS)?
- (2) What consultation did the government do with trades that offer energy saving services but are not offered on the EEIS?
- (3) What consultation did the government do with households about energy saving services they would like to be covered by assistance, rebates or subsidies from the EEIS?
- (4) How much funding has the EEIS received since 2016?
- (5) Why does the scheme not cover other energy efficient solutions such as double-glazed glass?
- (6) Does the government plan to include double-glazed glass in the EEIS?
- (7) Can households receive rebates or subsidies on double-glazed windows through a different government scheme; if so, how; if not, why not?

MINISTER RATTENBURY - The answer to the Member’s question is as follows:

- (1) The EEIS requires electricity retailers to make energy savings in households and small-to-medium businesses. The scheme aims to encourage the efficient use of energy, reduce greenhouse gas emissions associated with energy use, reduce energy costs and assist priority households to reduce energy use and associated costs. Electricity retailers achieve this by either undertaking eligible activities that deliver energy efficient appliance upgrades, or by making a financial contribution to the scheme.

Research and consultation with industry, relevant local and interstate government agencies, electricity retailers, consumer advocacy groups and community not-for-profit organisations have gone into the development of EEIS approved activities, and the types and minimum energy performance standards of associated products.

Electricity retailers may select approved products (or appliances) from the EEIS Register of Products. This Register draws on product registers developed and maintained under the Victorian Energy Upgrades (VEU) program, NSW Energy Savings Scheme (ESS), and the *Greenhouse and Energy Minimum Standards Act 2012 (Cth)* (GEMS) to ensure they comply with required minimum performance standards and testing criteria. If a product is suspended by GEMS, the VEU or ESS schemes then that product is no longer eligible to be used in the EEIS. This 'harmonisation' approach is considered a best practice approach to ensuring the best product selection options for electricity retailers obligated under the scheme.

Electricity retailers do not receive ACT Government funding to deliver EEIS energy savings products or activities. The scheme sets the obligation on the retailers to make energy savings, via targets based on a percentage of their electricity sales. The scheme legislates what energy saving activities retailers may undertake and the conditions under which they must conduct activities and report to the Government. The terms and conditions of the product offers made to consumers are not prescribed by the scheme. Rebates and discounts that are offered to consumers are entirely a business decision of the electricity retailer.

- (2) Industry has been consulted during phases of activity development or review throughout the life of the scheme. A review of the EEIS scheme was conducted in 2018, during which industry, trades and advocacy groups were consulted on scheme design and efficacy. Subsequent to the review, in 2019, a range of further consultations were conducted specifically on proposals for a 10-year extension, which also sought views on whether and how to expand the energy savings activities delivered under the EEIS and key priorities for new eligible activities. These consultations were delivered through a stakeholder forum, online surveys, and public submissions. Reports on the results of consultations on a range of matters pertaining to the operation of the scheme including activity development, are available online at: <https://www.environment.act.gov.au/energy/smarter-use-of-energy/energy-efficiency-improvement-scheme/publications>.
- (3) Consultation with scheme participants formed part of the 2018 review. This included direct consultation through interviews, focus groups and workshops with stakeholders to discuss the operation of the EEIS, including available activities. The review also considered post-implementation surveys administered to both households and businesses during the period 2013-2018. Annual customer satisfaction surveys continue to be delivered as part of the compliance and auditing functions of the EEIS.

The ACT Government has jointly funded a grant with Energy Consumers Australia since 2016 to establish a part-time energy consumer advocacy position in the ACT which is delivered by the ACT Council of Social Services (ACTCOSS). This position works with the ACT Energy Policy Consortium to advocate for ACT energy consumers including households, non-government organisations and small businesses. Members of the Consortium have included: ACTCOSS, Care Financial Counselling Service (CFCS), Conservation Council ACT Region, SEE-Change, and the Canberra Business Chamber. Meetings are held bi-monthly with representatives of the Environment Planning and Sustainable Development Directorate. This forum provides an ongoing opportunity to seek input energy saving services relevant to households and small business.

- (4) The EEIS does not receive Government funding from tax revenue. The scheme is self-funding. Electricity retailers are classified into two groups based on volume of electricity sales and customer numbers, each with a different set of obligations for participating in the scheme. Smaller 'Tier 2' retailers can either undertake eligible energy savings activities or discharge their obligations through an Energy Savings Contribution (ESC) fee equal to the estimated cost of participation of a Tier 1 retailer. To date, all smaller retailers have chosen to make an ESC, rather than deliver eligible activities.

The total revenue from energy savings contributions by compliance year (calendar year) under the scheme since 2016 is directly below.

- 2016: \$2.762 million
- 2017: \$2.163 million
- 2018: \$2.241 million
- 2019: \$2.57 million
- 2020: \$2.608 million

The *Energy Efficiency (Cost of Living) Improvement Act 2012* (the Act) requires that all revenue raised as a result of the EEIS be used for purposes that are consistent with the Objects of the Act¹, including administration of the scheme and ACT Government delivered energy efficiency programs/initiatives.

- (5) There is a distinction between the total list of energy efficiency solutions (activities) that are eligible for delivery under the scheme and listed activities the electricity retailers will choose to offer to consumers. There are 25 eligible activities that are outlined in the *Energy Efficiency (Cost of Living) Improvement (Eligible Activities) Determination 2020 (No 2)* (the Determination). An electricity retailer can choose the range of eligible activities they wish to undertake from the Determination, to meet their energy savings obligations in any compliance year. This means that only a portion of eligible activities might be delivered in any year.

¹ <https://www.environment.act.gov.au/energy/smarter-use-of-energy/energy-efficiency-improvement-scheme/faqs>

Double-glazing and secondary-glazing are eligible energy efficiency upgrade activities under the scheme, through the below approved activities:

- "Install a thermally efficient window", which captures the installation of high thermal performance glazing or glazed products in a window opening or openings in an external wall of a conditioned zone to replace existing single glazed window/s that does not meet the minimum thermal performance requirements in section 1.4.3, so that the glazing fills the entire window opening or openings.

- "Retrofit thermally efficient glazing", which captures the installation of a product that improves the thermal efficiency of a window to one or more single glazed windows in an external wall of a conditioned zone where the existing glazing does not meet the minimum thermal performance requirements prescribed in section 1.5.3 of the determination, so that the glazing product covers all panes of the window unit or units.

Under the Act, retailers are limited in the cost of the scheme that can be passed through to consumers in their energy bills. This incentivises activities that will produce the highest energy savings for the lowest cost. Retailers re-evaluate their activities to ensure they can meet the energy savings target based upon consumer demand, energy savings and cost to implement.

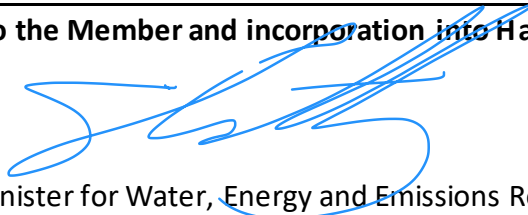
To date, despite being an approved eligible activity, double glazing has not been delivered by any electricity retailer under the scheme.

- (6) Double-glazing is an eligible activity under the EEIS. It is up to electricity retailers to determine which activities they deliver to meet their obligations under the EEIS.

- (7) Double-glazing is not currently available through any other energy efficiency programs offered by the ACT Government.

The ACT has similar eligible activities as the VEU, which currently has two providers offering double glazing across the entire State, whereas other activities (such as heating, hot water, lighting) has several providers in each region. This is reflective that other energy efficiency improvements, such as draught proofing, insulation, or installing an efficient heating and cooling system or hot water heat pump, generally have a better return on investment in reduced energy costs than double-glazing.

Approved for circulation to the Member and incorporation into Hansard.



Shane Rattenbury MLA, Minister for Water, Energy and Emissions Reduction Date: 26/7/21

This response required 11hrs 40mins to complete, at an approximate cost of \$1072.82

Portfolio: Water, Energy and Emissions Reduction**Energy Efficiency Improvement Scheme**

Note: Figures provided in this QTB are sourced from the EPSDD Annual Report 2019/20 as data for the 2020/21 period is undergoing verification at the time of preparation of this brief

Talking points:

- The Energy Savings Target (EST) is set at 8.6% for the 2021 compliance period (calendar year).
 - The EST requires larger electricity retailers (Tier 1) to provide lifetime energy savings of 8.6% of their annual electricity sales.
 - Smaller electricity retailers (Tier 2) have the option to pay an Energy Savings Contribution (ESC) of 8.6% of their electricity sales.
- The EST will increase to 12.5% for the 2022 compliance period.
 - This adjustment reflects the transition of the Scheme from a greenhouse gas emissions to an energy savings metric since the ACT achieved its 100% renewable electricity commitment. The increase in the EST is to maintain the intended ambition of the Scheme.
- The Priority Household Target (PHT) remains at 30% for 2021 and ensures assistance is provided to low-income households.
 - The PHT will increase to 40% for the 2022 compliance period. This will help to expand opportunities for priority households in the Territory to reduce their energy use and costs.

Key Information

- Since 2013, over 78,000 households and businesses have benefited from the Scheme, including more than 20,500 priority households.
- More than 45% of ACT households have participated in the Scheme and are saving an average of \$5.80 per week.
- For the 20,500 priority households and over 16,000 rental properties, there is a lifetime bill savings of over \$70 million.
- In 2019-20, the EEIS is estimated to have delivered annual energy cost savings of more than \$300 for the average ACT household, and around \$1,100 for 1,774 priority households.
- Over the lifetime of the Scheme, the EEIS has provided commercial LED lighting upgrades to approximately 3,800 small and medium-sized businesses, worth almost \$200 million in lifetime energy bill savings.

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| Cleared as complete and accurate: | 29/07/2021 | |
| Cleared for public release by: | Executive Group Manager | Ext:62054752 |
| Contact Officer name: | Ros Malouf | Ext:62075335 |
| Lead Directorate: | Environment, Planning and Sustainable Development | |

- Average lifetime energy bill savings over a ten-year period is about around \$50,000. This equates to \$100 per week in bill savings.

Background Information

- The EEIS was established under the *Energy Efficiency (Cost of Living) Improvement Act 2012*. The scheme aims to encourage the efficient use of energy, reduce greenhouse gas emissions associated with energy use, reduce energy costs and assist priority households to reduce energy use and associated costs.
- The EEIS requires electricity retailers to make energy savings in households and small-to-medium businesses. Electricity retailers achieve this by either undertaking eligible activities that deliver energy efficient appliance upgrades (e.g. installation of efficient heating, insulation, lighting etc.), or by making a financial contribution to the scheme.
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- The EEIS will be in place until 2030 and is a key mechanism for delivering on the *ACT Climate Change Strategy 2019-2025*.
- In light of the transition from a greenhouse gas emissions to an energy savings metric, the 2019 compliance year will be the final year to report in emissions reduction savings. Achievements of the scheme from 1 January 2020 will be measured in megawatt-hours (MWh).

Portfolio: Water, Energy and Emissions Reduction

ACT CLIMATE CHANGE POLICY – COSTS TO COMMUNITY AND CONSUMERS

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Portfolio: Water, Energy and Emissions Reduction**Energy Efficiency Improvement Scheme**

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| Cleared as complete and accurate: | 13/09/2021 | |
| Cleared for public release by: | Executive Group Manager | Ext:62054752 |
| Contact Officer name: | Ros Malouf | Ext:62075335 |
| Lead Directorate: | Environment, Planning and Sustainable Development | |

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