



Mark Feather  
Executive Director  
Energy Sector Development Branch  
Department of Economic Development, Jobs, Transport and Resources  
Level 10, 121 Exhibition Street  
Melbourne VIC 3000

28 January 2020

Dear Mr Feather

**Re: Review of the Victorian Energy Upgrade Scheme**

On behalf of the Northern Alliance for Greenhouse Action (NAGA), I am writing to thank you for the opportunity to provide input into this review of the Victorian Energy Upgrade (VEU) scheme and to provide greater depth of information to support our online submission.

The Northern Alliance for Greenhouse Action (NAGA) operates across northern metropolitan region of Melbourne. NAGA's council members include Banyule City Council, Darebin City Council, Hume City Council, Manningham City Council, City of Melbourne, Moreland City Council, Nillumbik Shire Council, City of Whittlesea and the City of Yarra. NAGA formed in 2002 to share information, coordinate emission reduction activities and cooperate on research and the development of innovative projects. NAGA's goal is to achieve significant emissions abatement and energy cost savings by delivering effective programs and leveraging local government, community and business action.

NAGA and its members prioritise the implementation of energy efficiency to deliver improved savings both financially and in the efficient use of our energy resources. NAGA supports and applauds the proposed expansion of the scheme to cover new activities, such as using digital technologies to support better energy management, optimisation of solar power, cool room, HVAC and IT cooling room upgrades and replacing gas boilers with electric heat pumps. The implementation of these new activities has the potential to continue the VEU scheme as a successful market-based mechanism to support energy efficiency implementation for Victorian households and small business.

NAGA members have worked with suppliers to promote and extend uptake of the scheme to residents and businesses in their communities. This has included the provision of bulk buy schemes and programs to bundle products and to target specific residential sub-sectors including low-income, high usage, culturally and linguistically diverse and high-rise households. Our projects have engaged participation from

***The views represented in this submission do not necessarily represent the views of all NAGA members individually.***

commercial operations and businesses from across the spectrum of income brackets, energy using profiles and size.

In our experience, VEU has been well targeted to those who experience the greatest cost pressures as energy prices continue to rise. Local government has played an important role in supporting access to these high needs groups, such as linking VEET with aged pensioners and low income groups. The capacity to bundle a range of energy efficiency measures together has resulted in improved health and comfort, as well as financial savings, and has been very well received by residents. In this regard, we are supportive of Option 4, which seeks to achieve significant emissions reduction while considering the impact upon non-participating households.

NAGA has one specific objection: to the proposed change to lighting activities that will remove mercury vapour (MV) lamps (part 27) from baseline calculations so that they will no longer generate Victorian Energy Efficiency Certificates (VEECs). We understand that the VEU program can only incentivise upgrade activities which would not have otherwise occurred. Without the rebates available through the VEU program, bulk lighting replacement programs for councils (especially those in growth areas) is at risk of being defunded. With this in mind, NAGA requests that the proposed changes regarding mercury vapour lights be reconsidered until more consultation has taken place with Victorian local governments.

Please contact me (0422 458 690 / david@naga.org.au) if you would like further information, case studies or any clarification regarding the issues raised in this letter.

Yours sincerely

A handwritten signature in black ink, appearing to read 'D. Meiklejohn', followed by a horizontal line extending to the right.

David Meiklejohn  
Executive Officer

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