

Victorian Energy Upgrades forum, 14 July 2022 – plenary session

Written responses to questions raised at the Q&A sessions

Written responses from the Essential Services Commission for regulatory and compliance based questions

Can we have an update on the merging of the Essential Services Commission and Independent Pricing and Regulatory Tribunal (IPART) product registers?

Water heating products for the New South Wales' Energy Savings Scheme can now be applied for via the [VEU registry portal](#). There are no plans to extend this to other products at this time.

Can the commission add lead source in the VEEC assignment form for accredited providers to declare their lead source?

We are considering options to capture the relevant lead generation information. We welcome your input and ideas and will engage with industry on feasible options in the coming months.

Will there be a system for accredited providers to be able to identify door knockers and installer companies that display improper behaviour under the program? I have been approached by some installers to aggregate and would be interested if they have clean record or if they have been involved in any impropriety before deciding to work with them

The commission will publish information about scheme participants (including lead generators or installers) who have been subject to specific enforcement outcomes, but consistent with good regulatory practice we cannot reveal information about on-going investigations or unproven complaints.

Ultimately the accredited person is accountable for the certificates created and holds responsibility to undertake their own compliance checks on installers to manage their risk. We recommend you consider whether your current aggregator arrangements are sufficient to manage compliance with the code of conduct and other program risks.

In relation to telemarketing issues, why isn't the commission doing some type of wash of the phone numbers assigned to Victorian Energy Upgrade jobs that are being uploaded on Victorian energy efficiency certificate creation forms against the [Do Not Call Register](#)?

There are a range of ways in which businesses engage with customers. Consequently, the fact that a mobile number on a creation form is on the Do Not Call register does not establish, in itself, that the customer was improperly contacted.

However, we continue to liaise with Australian Communications and Media Authority (ACMA) on telemarketing activities associated with the Victorian Energy Upgrades program. This includes referring information and complaints between the regulators as they relate to alleged breaches of telemarketing and code of conduct rules.

Where do you see most compliance issues – are they in the deemed activities program or do you see some in the Project-based Activities (PBA) program as well?

To date, the majority of compliance issues have occurred in the deemed activities program

How many Victorian energy efficiency certifications (VEECs) are pending approval?

The number of VEECs pending approval changes daily as the certificates are processed and change status. You can review the [VEEC register](#) for the most up to date information.

For the 19 approved new accredited persons, did they all apply for Activity 32?

The 19 newly accredited persons applied for a range of different activities available under the Victorian Energy Upgrades program. Two applicants applied to undertake refrigerated cabinet activity (Activity 32).

Why were the refrigerated cabinet rules not made clear prior to commencement of the activity?

The commission administers the activity pursuant to the [Victorian Energy Efficiency Target \(VEET\) Regulations](#) and [Specifications](#). We also publish the [appliance activity guide](#) which provides guidance to stakeholders in meeting the specific requirements (product, installation, training, safety, and evidence) for the refrigerated cabinet activity. .

What has been the commission's compliance findings been from undertaking assessments of refrigerated cabinet activities?

Our investigation into refrigerated cabinet installations is ongoing. The commission has zero tolerance for unethical, fraudulent, misleading or unsafe behaviour by businesses accredited under the program and we will take action where we find breaches of the program rules. We appreciate your support on this matter and welcome any information you may have that will aid our investigation.

Why is the commission's review for activity 32 only undertaken for installations from October 2021?

The commission is reviewing installations carried out under the new regulations for this activity which came into effect in October 2021.

Regulations for refrigerated cabinet stipulates the activity allows unlimited installation for businesses. Why is it now being questioned for multiple fridges?

Multiple fridge installations have been identified as a potential compliance risk area. The commission is assessing these installations to ensure they meet the requirements of the regulations. We have zero tolerance for unethical, fraudulent, misleading or unsafe behaviour by businesses accredited under the program. Our investigation into refrigerated cabinet installations is ongoing and we will take action where we find breaches of the program rules.

We are being asked for evidence such as telephone recordings with customers when this is not stated in the refrigerated cabinet activity guide. Is the commission going to update the activity guide to align with what is being requested?

The evidence requirements stated in the [appliance activity guide](#) sets the standard for what must be collected and maintained by accredited providers for each installation. In accordance with [VEET guidelines](#) (clause 9.6), the commission may request an accredited person to provide additional information after a certificate has been created in order to decide whether the installation meets the requirements of the regulations, and whether the certificates are therefore eligible for registration. For example, if a photo shows the refrigerated cabinet has not been fully installed, we may request additional evidence, such as a telephone recording or any other evidence the accredited provider may hold, that the refrigerated cabinet has in fact been plugged in so that it is operational.

Does the commission require accredited persons to audit their own jobs and provide the commission with the evidence? Isn't providing a telephone recording something the commission should be doing?

The commission has its own audit processes to verify creation claims but the accredited person must have evidence to prove an installation complies with the [VEET Act](#) and [Regulations](#).

Pre and post installation geo-tagged photos are required for refrigerated cabinets. How is it possible for accredited providers to process a claim where the product is just dropped off and not installed?

What additional evidence does the commission require for refrigerated cabinet submission to prove its authenticity?

The commission requires photographs to verify the refrigerated cabinet has been installed in compliance with the [VEET Act](#) and [Regulations](#). If the evidence shows refrigerated cabinet have not been installed in compliance with the VEET Act and Regulations the certificates will not be registered.

The evidence we require is set out in the [appliance activity guide](#). If we identify any issues with the evidence provided, we may require additional supporting evidence to be submitted to us.

Can the commission create a register for sites that have had a refrigerated cabinet installed to assist accredited providers deal with duplicate creation claims?

There are confidentiality and compliance impacts associated with a site register for refrigerated cabinet installations. We do not currently have plans to create such a register but welcome further discussion on the matter.

What checks are carried out to assess if a refrigerator has passed the regulatory compliance mark (RCM) to ensure they are electrically safe?

Under the [VEET Regulations](#), refrigerated cabinets which are listed on the [Greenhouse and Energy Minimum Standards \(GEMS\) Regulator register](#) are eligible to be installed under the Victorian Energy Upgrades program. The GEMS Regulator is best placed to confirm what checks are carried out prior to listing a product on the GEMS register and can be contacted via <https://www.energyrating.gov.au/contact-us>

Is the commission planning a review of the Victorian Energy Upgrades program refrigerated cabinet products database?

Under the [VEET Regulations](#), refrigerator cabinets which are listed on the [GEMS register](#) are eligible to be installed under the program. Department of Environment, Land, Water and Planning (DELWP) will be reviewing product requirements as part of its [review into this activity](#) and we will work closely with DELWP on this issue.

How does the commission stress test the activity guideline for abuse and mitigate the possible abuse by the accredited providers?

We refine our activity requirements to reflect our audit findings and feedback provide by accredited providers, program stakeholders and consumers, to ensure our activity requirements appropriately mitigate non-compliance risks.

Why doesn't the commission conduct a consultation on setting compliance requirements with accredited providers like the consultation conducted by DELWP prior to introduction of an activity?

The commission is committed to consulting with stakeholders prior to setting or amending compliance administrative requirements for activities under the program. However, there may be times when we need to amend our compliance requirements as a matter of urgency to mitigate high impact risks to the program. The nature of potential compliance issues may require the commission to take swift action to amend our requirements such as has occurred with refrigerated cabinets. However, we always welcome stakeholder feedback when reviewing and refining our compliance requirements.

Written responses from the Department of Environment, Land, Water and Planning (DELWP) for policy related questions

Will DELWP be revising the refrigerated cabinet activity to include decommissioning requirements this year?

DELWP is committed to undertaking a detailed review of the refrigerated cabinet activity. This review will ensure that all facets of the refrigerated cabinet activity meet the objectives of the VEU program and appropriately incentivises the upgrade and installation of all classes of refrigerated cabinet products. The review will consider feedback received as part of the discount factor consultation including decommissioning and will be supported by further stakeholder consultation. The outcomes of the review will be finalised by early 2023.

The main issue with the refrigerated cabinet activity stems from the “free give-away” business model as it creates a race to the bottom. Is the government considering a mandatory co-contribution payment?

This is a matter that DELWP may consider in due course, noting that it needs to be considered in the larger context of the program's other activities, the VEU program's legislated emissions reduction targets and the improved enforcement and consumer protection framework that is now available through the code of conduct and the proposed changes to the VEU legislation.

Why is the government not looking to remove door knockers and telemarketers from the program? This would solve a lot of problems.

DELWP recognises that there have been issues regarding the conduct of doorknockers and telemarketing. However, such methods have enabled the program to have very extensive reach to date and assisted the program to meet many of its objectives. As of 1 July 2022, DELWP introduced a VEU code of conduct to increase consumer protections under the program. DELWP expects the code of conduct will address concerns regarding unsolicited marketing in the program, without the need to ban doorknocking or telemarketing. DELWP will continue to monitor the performance of telemarketing and door knocking and compliance with the code and Australian Consumer Law.

Do you have to be an Australian citizen to be able to participate in a Australian government program?

Any Victorian household or business premises in Victoria can undertake energy upgrades and receive incentives under the VEU program, regardless of their citizenship.

In reference to the program extension, given the potential 7-year tail for project-based activities VEECs, will an extension beyond 2030 be approved prior to the end of 2023?

The extension of the program beyond 2030 will be considered as part of the setting of the targets for 2026 to 2030, which must be done by May 2025.

Why is a cradle to grave process not considered when deciding certificate values to be awarded for each activity and product?

DELWP take into consideration a number of complex aspects when determining which products are eligible for use in the VEU program. DELWP recognises the importance of reducing greenhouse gas emissions, encouraging the efficient use of electricity and gas, as well as promoting development that can help reduce overall use of electricity and gas by consumers.

With approximately 70% of creation coming from lighting and refrigerated cabinets this year and the winding back of these activities, where do you see creation coming from next year? How is ramp up going to occur to meet the targets?

The VEU market has proven incredibly skilled at identifying low cost emissions reductions opportunities. VEU participants have also proven themselves very adaptable and able to quickly ramp up delivery of energy efficiency activities. There are currently 37 activities in the VEU program - any of which could be undertaken to create VEECs.

Given air conditioning is the biggest household / commercial user of electricity, with spiralling cost increases, will this influence the priority of the smart thermostats program? Is there a body of work already completed for smart thermostats or have priority shifts halted progress on these?

Smart thermostat activity will not be introduced this year into the program. We have consulted on a first pass issues paper and have obtained ideas from stakeholders. The next issues paper will include more detail on the activity including draft regulations and specification. It is a novel technology and there are no standards for it so we really do need to consider what we require for these things. We are aiming to release the next issues paper before the end of the year, noting that caretaker period will occur this year.

Can DELWP give a home energy assessments update in terms of timelines for response to consultation and activity start date.

Regulations for the new home energy rating assessment activity is anticipated to be made in October. This timing is subject to change depending on approvals. Once the regulations are made, the commission will need time to finalise its processes to ensure effective administration of this activity before certificates can start to be created. We also note the government caretaker period commences in November this year.

Is there a timeline on the introduction of the changes for gas efficiency activities?

DELWP is aiming to make the necessary changes to the VEET Regulations and specifications in late August or early September. This timing is subject to receiving all necessary approvals and the commission may need time to establish systems and processes to ensure the effective administration of this activity (once amended).

When will the commission give stakeholders an accurate 12 month timeline of new activities and important changes?

Setting the timeline of new activities and legislated changes is DELWP's responsibility. DELWP has shared their indicative timeline for consultation and implementation of these activities in the forum presentation noting that these timeframes subject to receiving the necessary approvals and may change depending on Government and program priorities.

Will a specific stakeholder session be held by DELWP this calendar year to discuss new and updated activities?

The VEU program undertakes new and revised activity consultations on a regular basis, which may also be accompanied by a stakeholder workshops. Stakeholders are encouraged to engage in these forums when they are held.