



A2EP – 2xEP Energy Productivity Summit
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Session 09
2xEP: Making it happen

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Doing more. Using less.

Victoria's Renewable Energy Targets and Energy Productivity



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Environment,
Land, Water
and Planning

- Clean energy transition is underway, at a scale and speed not seen before.
- Sub national policy is as critical as national policy in facilitating this transition.
- Cities, communities and regions are seizing the benefits that come from this transition, and taking back control.
- Energy productivity must now be considered as a key element of Australia's policy settings.
- More must be done to implement Australia's National Energy Productivity Plan to help underpin the affordability of the transition to a clean energy future.

Overview of VRET

- 25% by 2020 / 40 % by 2025
- 5400MW to be supported
- reverse auction mechanism
- legislation to be introduced by mid 2017
- first auction to commence late 2017

Auction Framework

- 1500MW to be supported by 2020
- technology neutral auction rounds + 20% for large scale solar
- wind will be major technology
- long term contracts with contract for difference under consideration – similar to ACT model

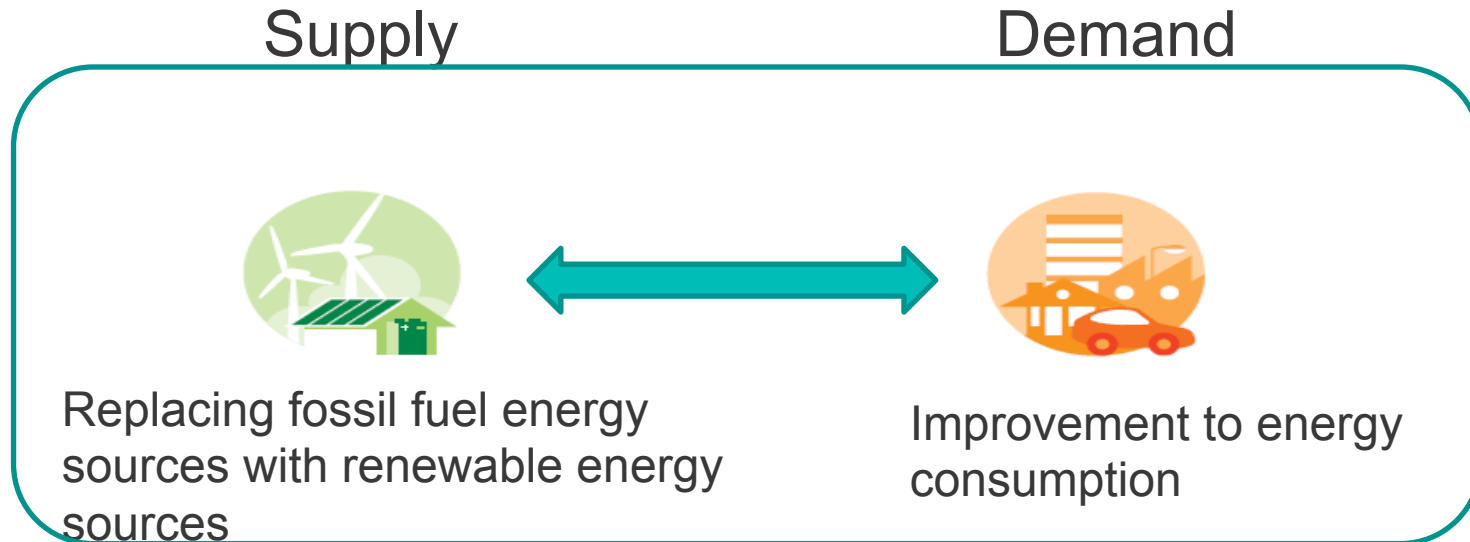
Local content and community engagement

- Auction evaluation criteria likely to require strong local content and community engagement criteria
- Positive weightings for local economic development outcomes not just construction, also supply chain, skills development.

Economic Development Outcomes

- construction activity estimated at 11,000 jobs
- supply chain opportunities – tower manufacture, blade manufacture, other components
- Assist manufacturing, resource sector transition
- Leverage investment into new energy technology sector – energy management and trading

Energy Productivity's role in the clean energy transition



The Role of the NEPP

- The NEPP is a long-term plan (2015-2030) that aims to improve to achieve the Commonwealth's energy productivity target of 40 per cent.
- Through the NEPP, Victoria is actively supporting:
 - Increased energy efficiency requirements for commercial buildings and improvements to the energy efficiency provisions for residential buildings in the National Construction Code for 2019
 - Development of two new NABERS tools for rating apartment buildings and multiple tenancies in commercial buildings
 - Collaboration across jurisdictions with regard to residential energy ratings
 - Collaboration across jurisdictions with regard to improving energy efficiency in government operations

More to be done

- The NEPP has made reasonable progress in its first year of implementation, however substantial additional work will be required to meet the Commonwealth's energy productivity target.
 - Working with the 2017 Commonwealth review of climate change policies to consider opportunities to capture further low-cost carbon opportunities as part of the NEPP. Consideration of recommendations of the NEM Security (Finkel) Review as part of forward planning for the NEPP.
 - Embracing opportunities to work with ARENA on energy productivity projects.
 - There is a need develop measures to realise energy productivity opportunities in the business and industrial sector.
 - Supporting effective uptake of new types of demand management services, including cost-reflective electricity pricing and competitive metering, for the maximum benefit of all consumers.