

## Submission from companies working in energy efficiency

To Whom It May Concern,

### Overview

As the Executive Chairman for Onsite Energy Solutions Pty Ltd, Energy Makeovers Pty Ltd, Energy Inspection Pty Ltd and Energy Renovations Insulation Services Pty Ltd (trading as Ambisol), I advise that these companies all strongly support the pursuit of a **more ambitious target** in 2030. We recognise that this would require more action in the near term, with greater associated costs and benefits from this change. We also agree that a more ambitious target is more likely to avoid lock-in of emissions-intensive infrastructure and technology as it leads to fewer emissions. Early action would also provide greater flexibility to increase ambition in future years (i.e. adopt a smaller emissions budget, which would make the post-2030 trajectory steeper) or adapt to changing circumstances. Making greater emissions reductions in earlier years may also support stronger global ambition by demonstrating a greater willingness to act. Early ambition also allows for slower emissions reductions in the future, in case it is more difficult to reduce emissions in these later years when the easier and cheaper options, at least according to current knowledge and technology, have already been taken up.

Our comments/answers are below:

### Questions: Targets and Trajectories

- 1a. Should Victoria's interim emissions reduction targets relate to a national reference point? **Victoria's target should continue to be closely aligned with the Paris target of net zero emissions by 2050. This should be / is the national reference point.**
- 1b. If yes, what is the most relevant reference point?
- Australia's current national emissions reduction target of 26-28% below 2005 levels by 2030
  - The Climate Change Authority's recommendation of 45-65% below 2005 levels by 2030) **This is most relevant reference point.**
  - Other (please specify)
- 1c. If yes, how should Victorian interim targets relate to this national reference point?
- Direct application of the national figure to Victoria's 2005 emissions.
  - Recalculated to take into account differences between Victoria and Australia as a whole.
  - Other (please specify) **Victoria should always meet its national share of the Paris target.**
2. What would you recommend Victoria's targets be for 2021-25 and 2026-30, and why? **Consistent with 1.b.ii above**
- 3a. Do you think a Victorian emissions budget should be used as a tool in the Panel's analysis? **Yes**
- 3b. If yes, what global temperature outcome should a Victorian emissions budget be consistent with (e.g. 2°C above pre-industrial levels)? **Target should be 1.5 deg C consistent with Paris aspirations.**
- 3c. If yes, how should Victoria's share of a global or Australian emissions budget be calculated? **Based on Victoria's share of national economic output.**
4. What do you see as the relative advantages and disadvantages of early versus late action to reduce Victoria's emissions to reach net zero by 2050? **Early action will deliver a lower cost of abatement for the community to fund.**
5. What lessons can be learned from other state and local governments that have set emissions reduction targets? **Setting stable long term policy with zero emissions as the final outcome is the key. Lack of policy certainty will result in much higher costs of abatement in the medium to long term.**

### Questions: Emissions Reduction Opportunities

6. What are the most significant opportunities and technologies for reducing emissions in Victoria during the period 2021-2030 and to reach net zero emissions by 2050? Increasing targets in the Victorian Energy Upgrades scheme, introduction of policies to accelerate the rollout of behind the meter solar PV and battery storage, and uptake of electric vehicles powered by renewable energy sources.
7. What are the key barriers to reducing Victoria's emissions by 2025 and 2030? Political uncertainty. Lack of community awareness of the need to act now.
8. What further steps can the Victorian Government take to support emissions reduction opportunities and the uptake of low carbon technologies? Begin to take account of the existential costs of climate change (eg. costs related to coastal inundation) when developing government policies to provide financial subsidies for energy efficiency, renewable energy and other carbon abatement mitigation strategies. A higher cost of carbon in the economy would result sooner than later.
9. What lessons can be learned about reducing emissions in Victoria from actions taken in other states and countries to reduce emissions? Bold action works (eg. first SA battery deployment).
10. What additional infrastructure will be required to support low carbon transformation within each sector? (e.g. electricity generation, transport, the built environment, industry, agriculture, other land-based activities). The evolution of electricity grid network tariff structures from "cost reflective" to "consumer value reflective". There is no fundamental reason network assets cannot be "written down" and "written up" as required (as with water utility assets).
11. What steps could the Victorian Government take to accelerate turnover of capital assets with significant emissions to deliver emissions reductions? (e.g. old road vehicles, industrial equipment). Mandate closure of "dirty assets" for the community's benefit, whilst at the same time implementing strategies to ensure that adverse service outcomes to the community are mitigated.
12. What are the price and non-price factors influencing business and industry decisions to switch to less emissions-intensive fuels? An often cited factor is a short term focus by some on near-term costs only. In the longer run decisions made from the perspective of "short term cost impacts" will be highly destructive to both the environment and the economy.
- 13a. Should international and interstate offsets be used to meet Victoria's interim targets? Interstate offsets may make sense. International offsets do not make sense as they reduce the incentive and direct connection needed for direct local action and the development of Victoria's own "green economy" (and the creation of jobs that go with it).
- 13b. Why? Better we act locally to create jobs for the next generation here in Victoria.

Regards

**Bryn Dellar** | Executive  
Chairman



[www.onsiteenergy.solutions](http://www.onsiteenergy.solutions) | [www.energymakeovers.com.au](http://www.energymakeovers.com.au) | [www.ambisol.com.au](http://www.ambisol.com.au) | [www.energyinspection.com.au](http://www.energyinspection.com.au)

Level 1, Suite 7, 25 Claremont Street, South Yarra VIC 3141

T: 1300 788 776 | M: +61 407 465 289 |  
[bryn@energymakeovers.com.au](mailto:bryn@energymakeovers.com.au)