



NEWS RELEASE

Carmel Tebbutt MP

Deputy Premier | Minister for Climate Change and the Environment | Minister for Commerce

28 November 2008

NSW Government legislates for new energy efficiency scheme

The Deputy Premier today reaffirmed the Government's commitment to establish new targets to revitalise the energy efficiency component of the NSW Greenhouse Gas Reduction Scheme (GGAS), and announced a new start date of 1 July 2009.

"Energy efficiency targets are a key plank in the NSW Government's energy efficiency plan to help prepare NSW households and businesses for the introduction of the Commonwealth's Carbon Pollution Reduction Scheme," said Ms Tebbutt.

Ms Tebbutt said the targets would also help NSW move from the world first GGAS to the new national Carbon Pollution Reduction Scheme, while maintaining market based incentives for energy efficiency.

"The NSW Government has made it very clear it supports the Commonwealth Government in its commitment to establishing emissions trading nationally in 2010," Ms Tebbutt said.

"But we also recognise that we need to help households and business reduce the amount of energy they use, which will both cut the cost of achieving our greenhouse goals and put downward pressure on electricity bills."

The NSW Government will introduce legislation for the new energy efficiency targets early in 2009 with the new scheme to start on 1 July 2009.

"This new timetable gives businesses involved in the Scheme more time to prepare for the energy efficiency targets."

NSW Energy Minister, Ian Macdonald, said that this start date would allow more time for the Government to consult these businesses on the rules of the Scheme.

"We want to get the details right," Mr Macdonald said.

"We also want to pursue opportunities for consistency with other states. Australia would be best served by maximising consistency, and NSW wants to do everything that it can to make it easy to move to a national approach."

The targets will provide clear financial incentives for businesses to provide energy efficiency services to consumers by developing creative, cost effective programs to cut energy use.

"This will help to build the new business and green collar job opportunities we need to act on climate change.

"It will also build on the success of the NSW Greenhouse Gas Reduction Scheme - which has already led to the installation of high efficiency light bulbs in more than twenty per cent of households, and low-flow showerheads in half a million households across the state," said Mr Macdonald.



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Information sheet

- The Government reaffirms its commitment to build on the energy efficiency achievements under the NSW Greenhouse Gas Reduction Scheme (GGAS), by setting a new target to increase energy efficiency activity under GGAS.
- The new scheme will require electricity retailers to pursue additional energy efficiency improvements in households and businesses.
- The new energy efficiency targets will now start on 1 July 2009.
- The non-energy efficiency components of GGAS will end when the Commonwealth Government's Carbon Pollution Reduction Scheme (CPRS) starts in 2010.
- Businesses providing energy efficiency services will continue to be allowed to create certificates under the GGAS Demand Side Abatement Rule until 30 June 2009. From 1 July 2009, these businesses will be able to create certificates for the new energy efficiency targets.
- From 1 July 2009, Demand Side Abatement (DSA) activities will no longer be eligible to create NSW Greenhouse Abatement Certificates (NGACs) for compliance with the existing GGAS benchmarks.
- NGACs created under the GGAS DSA Rule before 1 July 2009 will continue to be eligible for surrender under GGAS, but will not be eligible for surrender under the new energy efficiency scheme.
- The Government will determine the target and finalise rules for the new scheme in the first half of 2009.
- GGAS benchmarks will remain at current levels until the rest of GGAS is replaced by the CPRS.
- Energy efficiency improvements that currently qualify as DSA activities under GGAS will be eligible to create the new class of energy efficiency certificates.
- The Government will consult with market participants from December 2008 to March 2009 on proposed rules to recognise new energy efficiency improvements and ways to improve the existing rules, before the new scheme starts.
- The compliance period for retailers for the new scheme will continue to be the calendar year, as originally announced. However, in 2009 only, the compliance period will be the six months from July to December 2009.
- The energy savings requirement for retailers for 2009 will be set to take into account the six month compliance period for 2009 only.
- Retailers will be given flexibility to manage any shortfalls in availability in certificates which may arise due to the short compliance period in 2009.
- The revitalised energy efficiency scheme will substantially use the existing GGAS legislation and continue to be regulated by the Independent Pricing and Regulatory Tribunal.

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