

## E3 PRIORITISATION PLAN

### 1. Introduction

The Equipment Energy Efficiency (E3) Program is a cross jurisdictional initiative for delivering a single, integrated approach to energy efficiency standards and energy labelling for new household and business equipment and appliances sold into the Australian and New Zealand markets. The E3 Program operationalises the Inter-Governmental Agreement (IGA) for the Greenhouse and Energy Minimum Standards (GEMS) Act 2012 and the Act's subordinate Regulation and Determinations<sup>1</sup>. Its objective is to increase the energy efficiency of new appliances and equipment sold, thereby reducing energy consumption.

Setting priorities for the E3 Program is critical to ensuring that opportunities to save energy, reduce greenhouse gas (GHG) emissions and lower energy costs for households and business, are realised as soon as possible. Evidence-based prioritisation of opportunities provides a basis for planning for future regulatory work and allocation of resources.

This Prioritisation Plan has been developed to identify how the E3 work program will be aligned to accelerate policy development and focus on regulating products that will deliver the most benefits including improved energy productivity, lowering greenhouse gas emissions, and reducing energy costs. In the short- to medium-term, prioritising means focussing resources on a smaller number of higher-value policies so they can be delivered earlier.

The National Energy Productivity Plan (NEPP) that was agreed by Energy Ministers on 4 December 2015<sup>2</sup> is seeking to improve Australia's energy productivity by getting more value from the energy we consume. The NEPP has set a target of increasing Australia's national energy productivity by up to 40 per cent by 2030. The residential sector is projected to achieve a significant proportion of this target, much of which will be delivered by the E3 Program. This prioritisation of E3's activities, an important component of the NEPP's work plan, will continue to increase the benefits to household and business energy consumers and reduce growth in GHG emissions. In this context, it is important to note that the energy bill savings which accrue to households and business will flow through the economy and provide additional economic benefit.

### 2. Prioritisation

The prioritisation process was undertaken in the context of the findings of the 2015 GEMS Review, direction from the COAG Energy Council, the NEPP, and achieving Australia's international GHG emissions targets and reducing energy costs for users.

The timing and resourcing dedicated to certain products and future regulatory changes, included in the current E3 three year work plan, has been assessed with a view to maximising net benefit in terms of energy savings. Regulatory changes with the potential for higher annual net benefit will realise higher net benefit overall if these regulatory changes are delivered as soon as possible.

<sup>1</sup> In New Zealand, this program operates under the Energy Efficiency (Energy Using Products) Regulations 2002.

<sup>2</sup> <https://scer.govspace.gov.au/files/2015/12/National-Energy-Productivity-Plan-release-version-FINAL.pdf>



A higher preference for projects that deliver higher levels of emissions abatement has been assigned. The emission projections over the period 2016-2030 have been derived from forward estimates of electricity and gas emissions intensity provided in the Residential Baseline Study 2015<sup>3</sup> that the E3 Program engaged EnergyConsult to undertake. However, these emissions abatement figures have not been given a financial value nor included in financial benefits.

In addition to improved net benefits and emissions reductions, a range of other factors have also been taken into account to ensure that the prioritisation leads to optimal outcomes. These factors include:

- Stakeholder engagement
- Prior work
- Global trends
- NEPP sectoral goals and metrics
- Streamlining of administrative and regulatory burden
- Jurisdictional priorities.

The implications of the prioritisation are that only the products ranked as a high priority in the table below will be actively worked on by E3. In other words, the prioritisation table is the basis of E3’s new work plan. Resources will be focused on the priority products and will be reallocated to lower priority products when capacity becomes available. Those products not undergoing active project work, as well as new and emerging technologies, will be monitored and raised within the E3 Committee for discussion where appropriate. The prioritisation table will reviewed annually by the E3 Committee.

## Prioritisation table

Priority	Product category
<p><b>High priority</b></p> <p>E3’s immediate attention will be focussed on the work streams for these products.</p>	<p><b>Lighting Minimum Energy Performance Standards (MEPS) - halogen, LED and commercial</b></p> <ul style="list-style-type: none"> <li>• Proposal for introduction of a MEPS for LED lighting.</li> <li>• Continued phase-out of incandescent lamps (including halogen).</li> <li>• Updating of commercial lighting and compact fluorescent MEPS.</li> <li>• Consideration of a MEPS for commercial luminaires.</li> </ul> <p><b>Non domestic fans MEPS</b></p> <ul style="list-style-type: none"> <li>• Work is underway on a consultation Regulation Impact Statement (RIS) which will explore several regulatory options, including alignment with EU standards.</li> </ul> <p><b>Swimming pool pumps MEPS</b></p> <ul style="list-style-type: none"> <li>• Development of a regulatory proposal examining costs and benefits of introducing MEPs and labelling requirements for swimming pool pumps.</li> </ul> <p><b>Refrigerated storage and display cabinets MEPS</b></p>

<sup>3</sup> EnergyConsult, *Residential Energy Baseline Study*: Australia, August 2015

Priority	Product category
	<ul style="list-style-type: none"> <li>• There are significant opportunities to keep business competitive with overseas markets by harmonising with international test standards for refrigerated display cabinets and refrigerated storage cabinets.</li> <li>• New Zealand is leading work on examining costs and benefits of strengthening MEPS set in 2004 and considering the adoption of an energy rating label. Refrigerated Storage Cabinets which are not regulated under GEMS will also be included in this work.</li> </ul> <p><b>Air conditioning zoned label and MEPS including chillers</b></p> <ul style="list-style-type: none"> <li>• Adopting the enhanced Zoned Energy Rating Label for air conditioners.</li> <li>• Including portable air conditioners within scope of labelling and/or MEPS.</li> <li>• Including the National Construction Code MEPS requirements for air conditioners and chillers under the E3 Program.</li> <li>• Aligning various MEPS levels.</li> </ul> <p><b>Fridges and freezers MEPS</b></p> <ul style="list-style-type: none"> <li>• Adopting a revised MEPS level consistent with the USA level adopted in 2004.</li> <li>• Harmonising with the international test standard IEC 62552.</li> </ul>
<p><b>Lower priority</b></p> <p>The E3 Program remains committed to reviewing and assessing these products as it develops future work plans. Engagement with industry stakeholders will be ongoing.</p>	<p><i>These products will continue to be regulated under the GEMS Act:</i></p> <p><b>Clothes dryers</b></p> <p><b>Computers</b></p> <p><b>Digital television set-top boxes</b></p> <p><b>Dishwashers</b></p> <p><b>Distribution transformers</b></p> <p><b>Electric motors</b></p> <p><b>External power supplies</b></p> <p><b>Hot water heaters</b></p> <p><b>Monitors and other flat screen technology (excluding TVs)</b></p> <p><b>Standby power</b></p> <p><b>Televisions</b></p> <p><b>Washing machines</b></p>