

# CLEAN ENERGY COUNCIL SUBMISSION TO THE REVIEW OF THE VICTORIAN ENERGY UPGRADES PROGRAM

The Clean Energy Council (CEC) welcomes the opportunity to provide feedback on the review of the Victorian Energy Upgrades (VEU) program for 2021-25.

The CEC is the peak body for the clean energy industry in Australia. We represent and work with hundreds of leading businesses operating in solar, wind, hydro, bioenergy, marine and geothermal energy, energy storage and energy efficiency along with more than 6,500 solar installers. We are committed to accelerating the transformation of Australia's energy system to one that is smarter and cleaner.

The CEC supports Options 4 and 5, as outlined in Table 2 of the Regulatory Impact Statement (RIS). Option 4 incorporates a target of 34.5 million certificates and a broader range of eligible activities. Option 5 also broadens the range of eligible activities and would incorporate a target of 38 million certificates.

We support the proposal to broaden the range of eligible activities under the VEU program, including the proposal make rooftop solar systems larger than 100 kW eligible for incentives under the program for 2021-25. The addition of new abatement activities eligible under the scheme would enhance competition and reduce the cost of compliance for program participants. We note that the RIS has concluded that the impost on energy retailers is small, relative to their scale, and unlikely to materially affect their ability to compete. Further, other savings associated with the proposed regulations reduce the overall costs to the energy sector, putting downward pressure on energy prices.

The RIS assesses five different target options to be assessed against a base case where targets are set as zero for 2021-2025. Out of these five options, option two, four and five would provide incentives for other energy upgrade activities that reduce emissions, which also includes solar rooftop PV panels that are over 100 kW. Rooftop solar PV systems larger than 100 kW are currently eligible to generate Large-scale Generation Certificates (LGCs) under the Federal Government's Large-scale Renewable Energy Target (LRET) program. However, the Large-scale Renewable Energy Target has already been met and the value of LGCs is expected to fall significantly over the next few years.

We would be very happy to discuss these issues in further detail with representatives of the Department of Environment, Land, Water and Planning. We look forward to contributing further to this important area for policy development.