

19/48 Energy Efficiency (Cost of Living) Improvement Bill – Policy Approval (relates to 19/295 Energy Efficiency (Cost of Living) Improvement Amendment Bill 2019)

Summary of Impacts	
<ul style="list-style-type: none"> The proposal seeks to extend the Energy Efficiency Improvement Scheme (EEIS) (provided for by the <i>Energy Efficiency (Cost of Living) Improvement Bill 2012</i>) beyond the current legislated end date of 31 December 2020 to 31 December 2030. Continuing the EEIS will result in positive social, economic and environmental outcomes. Only minor implementation risks are associated with this proposal, which are mitigated through a comprehensive legislated compliance reporting and ongoing evaluation and review. 	

Key to impacts: Red – negative, Blue – neutral, Green – positive.

Social

Community and individual health	The EEIS energy efficient activities are expected to improve individual health and comfort as a co-benefit. A Priority Household Target (PHT) ensures disadvantaged and vulnerable low income households will benefit from the scheme.
Impacts on different age groups	The EEIS will improve energy efficiency performance of homes and help to deliver better comfort, health and social outcomes, especially for vulnerable age groups that can directly access the benefits of the scheme through the PHT.
Disability	The EEIS PHT ensures disability support pension card holders benefit from the EEIS, improving their comfort, health and social wellbeing.
Disadvantaged and vulnerable	The EEIS Priority Household classification includes a wide range of concession card holders to ensure vulnerable and disadvantaged households can benefit from the scheme.

Economic

ACT Government Budget	Since 2013, Tier 2 retailers' energy savings contributions (ESC) have offset EEIS administration costs and complementary Government programs. Over the proposed EEIS extension to 2030 it is expected that Tier 2 retailers' contributions will continue to pay for the scheme's administration and complementary programs. Costs associated with the extension will be covered by the EEIS administration budget.
Productivity and innovation	Continuing the EEIS is expected to provide further opportunities for businesses to develop and deliver innovative energy products and services in the ACT. Businesses can also benefit from the scheme by installing innovative energy efficient products that might have a positive impact on their productivity.
Employment	The EEIS will continue to provide and foster the development of new jobs in the energy efficiency service delivery sector in the ACT. Eligible activities under the scheme are delivered by authorised installers, most of them from local companies.
Small business	Small businesses will continue to benefit from the EEIS through opportunities to deliver eligible activities to households and other businesses. At the same time, small and medium enterprises will also benefit from existing and new EEIS energy efficient activities offered to businesses.
Skills and Education	Since the EEIS began in 2013, 87 induction training sessions have been held to ensure compliance with existing legislation, health and safety and quality requirements. EEIS induction training sessions were attended by more than 500 installers, including licenced electricians, plumbers and gas fitters employed by local companies. The scheme raises

	industry's quality and safety standards through the comprehensive training, audit and compliance framework.
Investment and Economic Growth	Continuing the EEIS to 2030 is expected to deliver significant economic benefits to participating households and businesses, and overall economic benefits of \$19 million to the ACT economy in net present value terms.
Consumption	Expected savings of \$355 million on energy bills over efficient product lifetimes are likely to be spent locally.
Competition	ActewAGL undertakes competitive tender processes before awarding contracts to deliver EEIS activities. At present, there are three companies delivering EEIS activities under ActewAGL contracts. The EEIS extension proposal includes lowering the Tier 2 threshold so that another electricity retailer also delivers abatement and expanding the obligation to include gas retailers. Both changes are likely to lead to additional companies being contracted to deliver EEIS activities.
Cost of Living	Implementing energy efficiency activities through EEIS reduces consumption and can have a direct impact on households' cost of living by reducing their energy bills. Additionally, the EEIS can help mitigating impacts of increases in electricity and gas prices in the medium to long-term.

Environmental

Greenhouse gas emissions	<p>Extending the EEIS beyond 2020 will continue to reduce greenhouse gas emissions associated with electricity and gas. In addition, continuing the EEIS can help reduce demand for electricity in the ACT.</p> <p>This will help the ACT Government to meet its GHG reduction targets and ensure cost-effective energy efficiency measures are taken up to support the Government's 100 per cent renewable energy target.</p>
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