



## Business and the Energy Saver Incentive

### What is the Energy Saver Incentive?

The Energy Saver Incentive (ESI) is a Victorian Government program that aims to make energy efficiency more affordable for Victorian businesses and households, helping to reduce energy costs.

The scheme gives access to discounts and special offers to Victorian businesses and households on the installation of selected energy saving products and equipment. To be eligible in the scheme, energy saving products need to be approved by the Essential Services Commission (ESI administrator) in accordance with relevant ESI regulations.

Each tonne of lifetime carbon reduced through energy efficiency improvements is equal to one Victorian Energy Efficiency Certificate (VEEC) in the scheme. Activities that achieve larger carbon reductions yield more certificates and bigger discounts. The size of the incentive will depend on the number of certificates generated and the current market price for certificates.

**For more information on the Energy Saver Incentive visit [www.veet.vic.gov.au](http://www.veet.vic.gov.au).**

## Lighting

This fact sheet applies to businesses that are considering making energy efficiency improvements to their operations. It outlines the requirements for getting a discount to upgrade to high efficiency lighting for your business, as part of the Victorian Government's Energy Saver Incentive (ESI).

This activity will be particularly applicable for businesses<sup>1</sup> in all sectors. Examples include:

- > accommodation and hospitality
- > retail
- > manufacturing
- > education
- > wholesale
- > financial services

The factsheet will also provide useful information to businesses that are interested in becoming accredited under the ESI to undertake energy efficiency improvements and create certificates for clients, and businesses that want more information about how to get their products approved under the scheme.

### What are prescribed activities?

There are fifteen broad categories of Prescribed Activities under the Energy Saver Incentive which are eligible to the Victorian business sector.

Activities specially designed for the commercial sector include:

- > high efficiency motors
- > refrigerated display cabinets
- > refrigeration fan replacement
- > lighting upgrades

### Prescribed activity explanation – commercial lighting

For most businesses, lighting accounts for 10% to 25% of total electricity consumption and to date, artificial lighting technology has used highly inefficient technologies such as incandescent bulbs. Recent developments in lighting technology, including bulbs and control systems, mean that artificial light can be provided to a commercial area using far more efficient alternatives that in some cases will not need added complexities during installation.

The Energy Saver Incentive encourages business owners to replace inefficient lights with high efficiency alternatives by enabling incentives to be offered in the form of discounts or other special offers. These may be used to offset the capital cost of installations for replacement of inefficient lights with high efficient alternatives.

#### When to replace lighting

You should consider buying energy efficient lighting:

- > as part of a preventive maintenance or energy conservation program
- > when major modifications are made to facilities or processes.

#### Selecting the right product

For lighting upgrades, the Essential Services Commission (ESC) does not provide a list of pre-approved products. ESC does, however provide an online list of Accredited Persons (APs), which are able to generate certificates under this activity.

The actual number of certificates generated will depend on the efficiency of the existing lighting systems and the lighting upgrade which is undertaken.

Aside from domestic style lighting upgrades involving incandescent and halogen lighting technologies which businesses can undertake under the scheme, the ESI doesn't detail specific lighting swaps that can be undertaken but the regulations do stipulate minimum requirements around lamp technology. Please contact your AP who will be aware of these requirements.

Savings can be achieved through lighting technology upgrades and energy efficiency gains in ballast and transformer technology as well as installation of occupancy sensors. The table below is for illustrative purposes only, however it does provide some guidance and identifies some of the lighting options available.

Current Lighting Technology	Upgradable Lighting Options
400W Metal Halide High Intensity Discharge (HID) High Bays (Mercury Vapour, High Pressure Sodium, Metal Halide)	High Efficiency T5 Linear Fluorescents, High Power Compact Fluorescent Lamps (CFL), LEDs
T8 Linear Fluorescent Lamps	T5 Linear Fluorescent Lamps, LEDs
Halogen Downlights	LED Downlights
Incandescent Lamps	Compact Fluorescent Lamps (CFL), LEDs

### Creating certificates and accessing related benefits

Certificates are valued on market based principles and as such the price fluctuates according to supply and demand. Historically, certificate prices have fluctuated between \$7 and \$45.

The number of certificates created by a certain prescribed activity depends on the amount of carbon abated by the activity. The abatement for the commercial lighting measure is calculated by estimating the lifetime energy savings which will result from installing the energy efficient product.

Calculating the certificates generated by installing high efficiency lighting is dependent on the manufacturer's rated hours and the lumen output of the bulb.

For example if you replace a 12V halogen downlight with an LED it will generate 0.83 of a certificate, dependant on rated life and efficacy, which valued at an example price of \$18<sup>1</sup> will halve the upfront cost. A shift to LED technology can provide you with other benefits such as extended lamp life and efficiency improvements of up to 80%.

Only Accredited Persons (APs) are able to create certificates within the Energy Saver Incentive (ESI). To access the benefits of the ESI a business must engage an AP to organise and complete the energy efficiency improvement. The Essential Services Commission maintains a register of Accredited Persons which can be searched by business name, activity or geographical region.

To claim the subsidy you will need to provide proof of purchase and complete an Assignment Form provided to you by your AP.

### Final considerations for business

- > Always remember to use a registered Accredited Person (AP).
- > Ensure you complete the Assignment Form once the installation is complete.
- > Remember the dollar value of certificates will fluctuate based on market price.

### Resources and links

For more information visit [www.veet.vic.gov.au](http://www.veet.vic.gov.au)

- > Prescribed Activities – <http://go.vic.gov.au/8lQjNJ>
- > Product Register – <http://go.vic.gov.au/CaYnXy>
- > Accredited Person Register – <http://go.vic.gov.au/4eZeNK>
- > VEEC Calculator – <http://go.vic.gov.au/tRI2TX>

<sup>1</sup> Businesses are only eligible if they are not liable under EREP (EPA Victoria's Environment and Resource Efficiency Plans).

<sup>2</sup> Dollar value of certificates is indicative ONLY, based on an example market price of \$18. As the ESI is a market based scheme, prices can vary greatly. Your AP will be able to provide up to date information on the incentive available at the time of installation.

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