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Australian Greenhouse Office

Regulating for Product End-Use Energy Efficiency: An Australian perspective

Australian Greenhouse Office

- Created in 1998 and is the lead federal government agency
- Coordinates national energy efficiency program for domestic appliances, commercial equipment and buildings

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Australia

- Population of 19 million people on the worlds largest island
- Federal democratic system with three levels of government
- 1.4% of the total world emissions (in 1998, around 455 Mt, excluding land use)

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Australian market

- Small market with a mix of imported and locally made products
- Local manufacturers generally export to world markets
- Suppliers want regulations that harmonise local energy standards with international requirements

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Program Features

- Energy efficiency regulations are contained in state and territory laws (not Federal system)
- Mandatory standards levels and test procedures are published by Standards Australia (national standards body)

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Program Features

- Standards in 1999 for refrigerators, freezers and electric storage water heaters
- Standards are well advanced for packaged air conditioners and electric motors (Oct 2001) and fluorescent lamp ballasts (2002)
- Regulation plans for another 8 product types released in 2001 (to start from 2003)

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Process Problems

- In 1990s, no system to deliver energy standards (3 products after 9 years - too slow)
- Industry approach adversorial, environmental groups disenfranchised, resulting in poor outcomes.

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New Policy

- Government policy to match world's best international practice for minimum standards
- Matching means imposing "equivalent" efficiency levels, several years later
- Debate now about "when" not "if" standards will start

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New Policy Process

- Government publishes default levels that, in the absence of agreement, become the future standard
- Through negotiation, the default levels are adjusted for good technical reasons (local test procedures, operating conditions etc)

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How it works

- Government responsible for proposing default levels and confirming they are cost effective for the community
- Stakeholders identify errors and omissions in the above analyses & “sign off” on consensus levels in a public process.

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Examples:

- US 2001 refrigerator levels proposed for Australia in 2004
- Canadian 2002 transformers levels proposed for Australia in 2003
- European fluorescent lamp ballast standards on similar timetable as Europe
- Proposal to consider Japanese ‘Top Runner’ program as a target for world best practice.

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Benefits of new policy

- Overcomes past delays and uncertainty
- Changes adversorial negotiations to cooperation
- Facilitates international trade by reducing differences in standards and testing
- Matches Australia's international position on free trade

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What lessons from Australia

- Obtain political support for regulation by agreeing that standards imposed only if in community best interest
- Australian program in 2000 projected to save 80 MtCO2 below BAU, 2000 - 2015 (it saved 5 MtCO2 1986 - 1999)
- Projected to benefit the community $US15 in energy charges for every ton saved.

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What lessons from Australia

- Publish “fall-back” energy levels
- Incorporate stakeholder modifications to foster consensus
- Strike a deal that is timely and pragmatic
- Work with APEC to monitor other country programs

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The Australian Greenhouse Office is the lead Commonwealth agency on greenhouse matters

http://www.greenhouse.gov.au

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