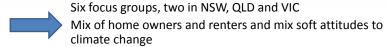


So where is the public at?



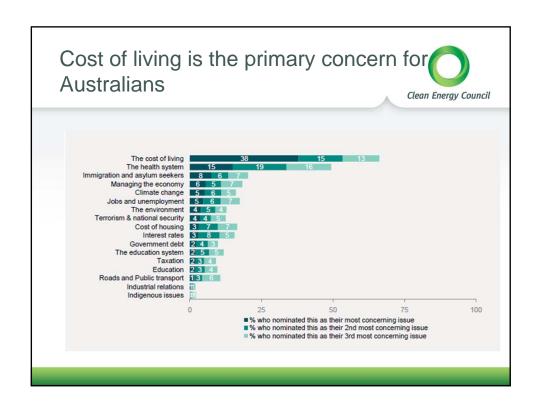
- A nationwide survey of 1000 participants was conducted over May & June 2011 for the CEC by Auspoll
- Qualitative phase

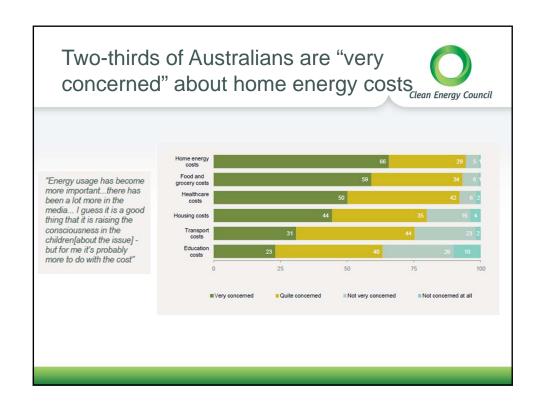


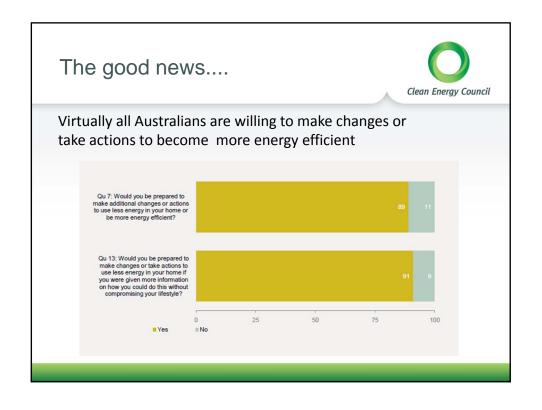
Quantitative phase

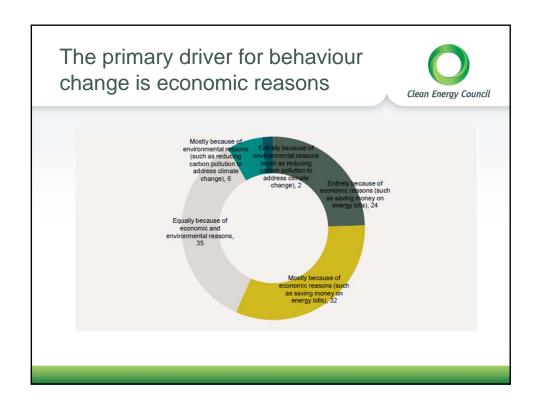


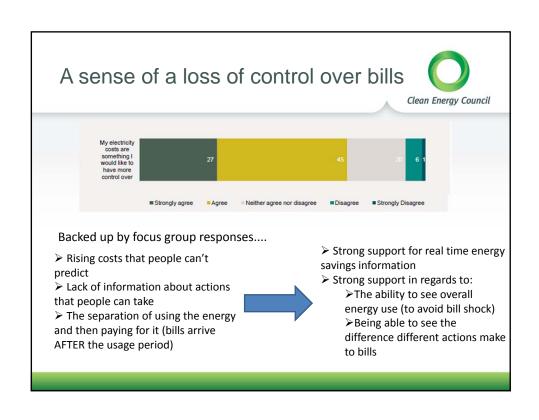
15 min survey of 1000 Australians, segmented and weighted to be representative of the population in terms of age, gender and location

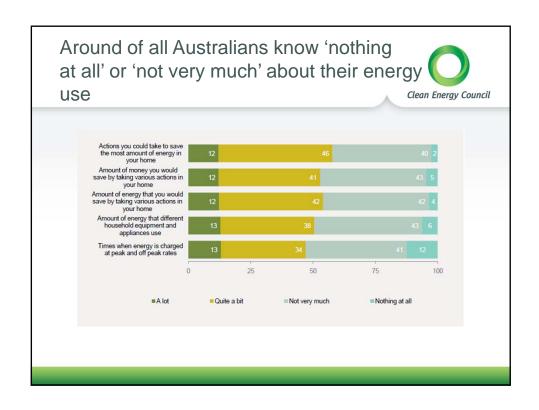


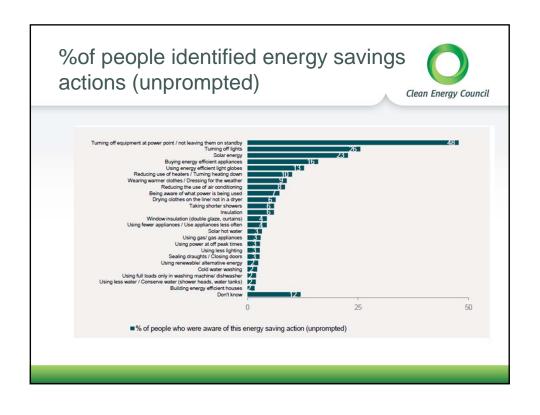


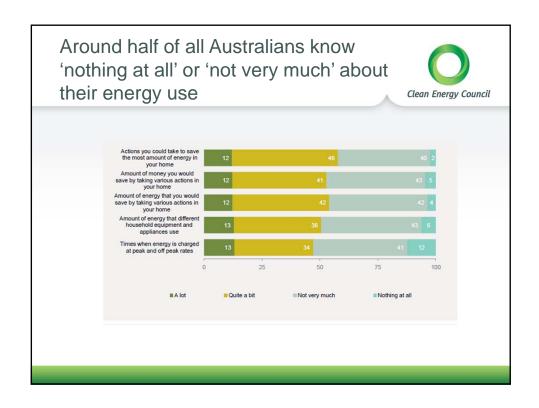


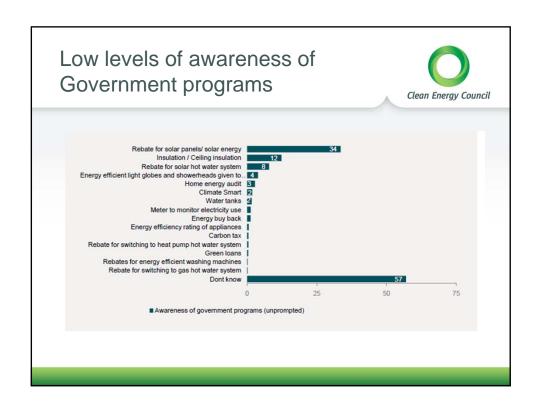


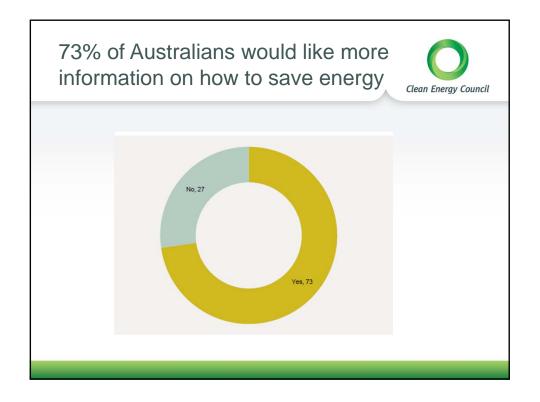












What are the factors affecting opinion?



- Plenty of information, its just:
 - Not in the right place
 - Contradictory
 - From too many sources
 - Not being delivered by the right/trusted source
 - Takes too long to digest
 - Not being delivered at the right time

What are the factors affecting public opinion?



- On-again, off-again policies
- Lack of a belief the policies will be delivered
- Erosion of public support due to problems with implementation
- In turn erodes certainty for industry business forecasts and results in delayed investment

What is the industry proposing in response?



- Better co-ordination of energy efficiency programs (300+ identified programs)
- Harmonisation of white certificate schemes to reduce transaction costs
- Improved co-ordination of communications to households
- Mandatory assessment and disclosure residential buildings
- Simplified consumer guide to be co-ordinated for use across industry

The policy response – in the short term Two track response

Clean Energy Council

Economics and the potential policy responses

Price reform

- History has shown prices held lower than the market rate, argument for moving to full contestability and pass through to consumers
- Theory says higher prices will drive reductions in consumption, we have already seen some evidence of this
- Must be coupled with information provision: smart meters, time of use pricing

Behavioral change and interaction with consumers

Price reform

- History has also shown application of 'markets will fix all' often falls down on implementation
- Range of reasons: opportunity costs of time, lack of relevant information, lack of enabling policy measures, lack of ability to raise capital to change behavior
- Must ensure consumers are empowered to make the necessary changes and respond to price signals

The policy response – in the short term Two track response

Clean Energy Council

Economics and the potential policy responses

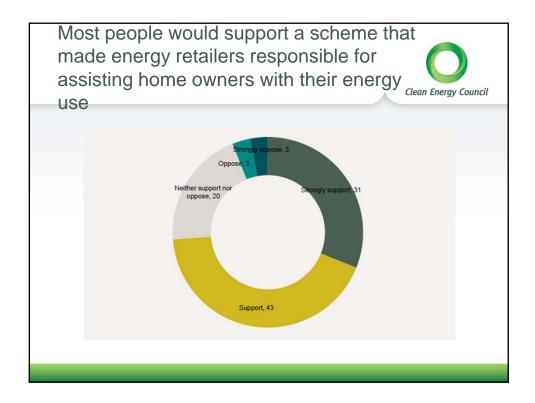
Complementary polices

- Harmonisation of white certificate schemes currently in operation across NSW, QLD, SA. Extension to other states to create a National Energy Savings Initiative
- Improvements in white certificate scheme design and implementation (product eligibility, training)

Behavioral change and interaction with consumers

Complementary polices

- Rebuilding trust within the community of delivery of energy efficiency measures
- Ensuring the scheme is rolled out in a stable fashion



The policy response – in the short term National Energy Savings Initiative

- Potential areas for early harmonisation:
 - Product eligibility
 - Skills and training requirements
 - Administrative / compliance
 - Fungibility of certificates
 - Assessment tools

Case study: National Energy Savings Initiative



- The CEC asked member EEBs to itemise the cost structure of creating certificates (1/tCO₂e) under each of the schemes based on the 2010 compliance year
- Combined this represented a large portion of the energy savings delivered under the three state schemes
- Companies asked to estimate potential savings in costs as a result of harmonisation in each cost item

Case study: National Energy Savings Initiative



Clean Energy Council

Estimated cost savings from harmonisation

Cost Item	% reduction in costs	\$/tCO₂e saving
Marketing/Promotion	32%	\$0.58
Installation Labour	3%	\$0.29
Product	21%	\$0.86
Administration	17%	\$0.63
Compliance	30%	\$0.38
Total	12%	\$2.74

An average total saving of around $2.74/tCO_2$ e was identified by participants. The savings quantified arise from:

- •Economies of scale in marketing activities due to consistent offerings
- •Increased purchasing power (per unit) for products
- Reduced inventory costs due to compatibility of products across jurisdictions
- Reduced compliance costs due to singular methodologies and compliance obligations

Case study: National Energy Savings Initiative



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Key findings:

- If each state and territory in Australia had its own scheme with a target of approximately 4% in 2010 (as per the Victorian scheme), the estimated total cost of activities would have been \$215m. However, if the targets were based on a singular national policy, the estimated cost, based on the savings identified through national settings would have been \$189m.
- The costs of performing energy efficiency activities would be reduced significantly in the order of 12%, equating to an Australia-wide saving of around \$26m per year.

The policy response – in the short term Two track repsonse

Clean Energy Council

Economics and the potential policy responses

Improved communications to households

- CEC consumer guide
- Policies which facilitate smart technology rollout and information to households (smart meters, in home displays,
- Coordinated communications across industry, Government, welfare sectors

Behavioral change and interaction with consumers

Improved communications to household

- Must consider the opportunity cost of time
- Targeted from a trustworthy source
- Must empower to make change rather than paralyze

The policy response – in the short term Two key tracks

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Economics and the potential policy responses

Mandatory disclosure

- Community wide benefits include:
 - savings from deferred construction of new electricity generation capacity
 - savings from reduced capital investment in gas infrastructure
 - reduction in greenhouse gas emissions due to lower energy usage
 - water savings and deferred need for new water sources.
 - a positive impact on energy efficiency related industries such as the insulation and glazing industries and associated employment gains.

Behavioral change and interaction with consumers

Mandatory disclosure

- Must be delivered alongside effective communications about what it will do and how it works (from the beginning!)
- Could be very useful tool in providing relevant information to consumers at time of purchase

In summary.... Mixed policy response



Policy measures.....

- > Carbon price
- Price reform (with time-ofuse meters, real time displays)
- Harmonisation of white certificate schemes
- Low income support programs
- Mandatory disclosure schemes

Communication

- ➤ Improved communications to households (relevance and time of engagement)
- >Empowerment of consumers
- ➤ Co-ordination of communications across industry and Government focussed on the end user