



**energy savings**  
Industry Association

**ESIA Submission:  
Victorian Government  
Building Electrification Regulatory Impact  
Statement (BE RIS) Consultation**

Due 28 February 2025

Submitted Victorian Government:  
Department of Transport and Planning (DPT) and  
Department of Energy, Environment & Climate Action (DEECA)  
[building.electrification@transport.vic.gov.au](mailto:building.electrification@transport.vic.gov.au)

Energy Savings Industry Association  
Suite 2, Ground Floor, 109 Burwood Rd, Hawthorn 3122  
[www.esia.asn.au](http://www.esia.asn.au)  
ABN 52 166 026 766

## Table of Contents

1.	Introduction .....	3
2.	Response to Consultation – ESIA Position .....	4
3.	Response to Consultation Questions .....	4

# 1. Introduction

The Energy Savings Industry Association (ESIA) welcomes the opportunity to provide this submission to the **Victorian Government Building Electrification Regulatory Impact Statement (BE RIS) Consultation** which commenced on 13 December 2024. This consultation is being managed by the Department of Transport and Planning (DTP) and the Department of Energy, Environment and Climate Action (DEECA).

## About ESIA

The Energy Savings Industry Association (ESIA) is the peak national, independent association representing and self-regulating businesses that are accredited to create and trade in energy efficiency certificates in market-based energy savings schemes in Australia. These activities underpin the energy savings schemes which facilitate the installation of energy efficient products and services to households and businesses. Members represent most of the energy efficiency certificate creation market in Australia. Schemes are established in Vic, NSW, SA and ACT. Members also include product and service suppliers to accredited providers under the schemes. As well, the ESIA represents member interests in national and state initiatives that include energy efficiency and demand reduction, such as the Federal Government's Carbon Farming Initiative energy efficiency methods and National Energy Performance Strategy, and the NSW Peak Demand Reduction Scheme.

## Further engagement

We welcome the opportunity to discuss this submission further, please contact the ESIA Executive Director at [comns@esia.asn.au](mailto:comns@esia.asn.au).

## The consultation

The ESIA referred to the RIS document at <https://engage.vic.gov.au/building-electrification>

## Timeline

The webpage states:

- Consultation opened – **13 December 2024**
- Consultation closes – **28 February 2025**
- Review of submissions – **Early 2025 – Mid 2025**
- Final regulations made – **Mid 2025 – Late 2025**
- Regulations into force – **TBC 2026**

**This submission can be made public.** (The ESIA did NOT complete the online survey.)

## 2. Response to Consultation – ESIA Position

The ESIA welcomes the Victorian government’s approach in its Building Electrification RIS to addressing the long-term challenges of gas supply for Victoria known to have been reducing for decades. The government’s recommended approach in the RIS provides a clear pathway to support transition away from gas to cleaner lower priced fuels and supports more efficient and smarter technologies. Households, businesses and commercial and industrial sites will benefit from the approach.

The ESIA recommends that the Victorian government reconsider aspects of its preferred option 3 and underlying modelling. Specifically, the ESIA recommends that **existing smaller buildings and businesses NOT be exempt from the proposed regulations**.

The ESIA recommendation is reasonable given the RIS recognises as stated on p73, that ‘... smaller businesses are more likely to use residential gas appliances’:

‘Recognising that many businesses operate in small buildings, the cost of large buildings was blended with an estimated cost for small buildings. The costs for small buildings were estimated using the residential cost of an upgrade per MJ of gas taken out of the energy system in Victoria, under the assumption that smaller businesses are more likely to use residential gas appliances. Method for estimating residential cost of electrification is provided in section 5.4.1 and further assumptions provided in Table C.5 to Table C.7.’

The ESIA recommendation is also based on learnings from the NSW Energy Savings Scheme (ESS) Home Energy Efficiency Retrofit (HEER) method\*. Under the HEER method, it has been found that in a significant number of situations, for smaller businesses with annual electricity consumption of less than 100MWh, similar equipment may be fit-for-purpose as for residential upgrades.

So, if the BE RIS includes these types of sites in the proposed regulations, there will be viable and cost attractive pathways for electrification at gas appliance end of life. (Some exemptions will be reasonable, many of which are detailed in the BE RIS.) Further, in Victoria these sites will be supported by the VEU to reduce equipment upgrade costs.

The ESIA has not responded to the specific consultation questions which primarily focus on seeking further data inputs.

(\*) <https://www.energysustainabilityschemes.nsw.gov.au/Home/About-ESS/Energy-savings-calculation-methods/Home-Energy-Efficiency-Retrofits>

## 3. Response to Consultation Questions

1. any data available related to prevalence and energy usage of gas and electric appliances in commercial sectors, including both take up in new buildings and usage in existing buildings

-

2. any data related the asset lives of both gas and electric appliances in both the residential and commercial settings  
-
3. any data available related to prevalence of gas commercial kitchen appliances in commercial sectors, or any related data regarding the proportion of buildings in Victoria that use a reticulated gas network connection solely for heating or hot water purposes  
-
4. any data available related to prevalence of shared gas services in Class 2 buildings and views on relevant costs associated with electrification of shared gas services including the potential need for exemptions  
-
5. any data available related to the administrative time required by residential homeowners to assess alternative options for the purchase and installation of an electric appliance and any additional infrastructure such as switchboard or connection supply upgrade  
-
6. any data available related to the purchase and installation costs of electrifying residential buildings, including ancillary costs for labour, switchboard and supply connection upgrades, etc.  
-
7. any data related to the proportion of homes which require switchboard, supply connection or broader wiring upgrades  
-
8. any data available related to the purchase and installation costs of electrifying new and/or existing buildings in relevant commercial sectors, including estimated cost differentials between small, medium and large commercial buildings  
-
9. any data available related to the prevalence of small and large buildings in Victoria for relevant commercial sectors  
-
10. any data available related to the prevalence of commercial kitchens in Victoria and costs associated with electrifying or utilising LPG in commercial and non-commercial kitchens across various commercial sectors  
-

11. key cost factors and considerations that may impact the cost of electrifying new or existing buildings in commercial settings that have not been identified
  -
12. any data available related to the administrative time and associated cost of planning for and implementing electrification in buildings
  -
13. any data available related to barriers to adoption of RCACs and considerations required around potential exemptions
  -
14. any data available regarding historical or future forecasted improvements in the energy efficiency and/or cost of electric and gas appliances
  -
15. the potential scale of and costs involved in undertaking building modifications when installing an electric appliance
  -
16. any potential exemptions that may be required in recognition of barriers to electrify as a result of physical or regulatory constraints
  -
17. differences in timing and cost of maintenance of electric and gas appliances in both residential and commercial sectors
  -
18. anticipated impact on cost of owning and operating the gas network as a result of the regulatory options, and how costs may be recovered through a changing customer base
  -
19. any data available related to potential disproportionate impacts on key stakeholder groups or demographics as a result of the proposed regulation
  -
20. the need for hardship exemptions for existing residential buildings in recognition of issues that may be faced by particular stakeholder groups
  -

21. any data related to key costs and considerations that may be a barrier to electrifying new commercial buildings
- 
22. how the proposed regulations may impact small businesses due to limited resources to interpret compliance requirements, or to keep pace with regulatory changes.
- 
23. any data that is available on stakeholders who may be particularly affected by the preferred option and where identified:
- a. proposed exemptions to address this acute impact.
- 
- b. proposed delays to the commencement of the regulations to enable more time for adjustment
- 
24. how the proposed regulations may impact competition in the gas appliance manufacturing market and potential adverse impacts on consumers, including any data or analysis indicating the scale of potential consumer impact
- 
25. how the proposed regulations may impact competition in Victoria's gas plumbing industry and potential adverse impacts on consumers, including any data or analysis indicating the scale of potential consumer impact
- 
26. how the proposed regulations may impact competition in wholesale gas production and potential adverse impacts on consumers, including any data or analysis indicating the scale of potential consumer impact
- 
27. how the proposed regulations may impact the provision of gas network services and potential adverse impacts on consumers, including any data or analysis indicating the scale of potential consumer impact
- 
28. any data available related to potential impacts on their business industry or sector, including disproportionate impacts on small businesses or market competition
-

29. the timing and potential need for any transitional arrangements to ensure the implementation of any regulations occurs smoothly.

-

---

**For more information** regarding this submission, please email ESIA Executive Director, [comns@esia.asn.au](mailto:comns@esia.asn.au)