

# Smart Energy Savings Program

## What is the Smart Energy Savings Program?

Queensland's Smart Energy Savings Program is a legislative initiative introduced through the *Clean Energy Act 2008*. The Program aims to drive energy saving improvements in Queensland businesses, reduce greenhouse gas emissions from Queensland commercial and industrial sectors and improve business competitiveness by reducing energy costs.

Participation is based on three energy use thresholds (see Figure 1). The first year for the program is 2009-10 and will capture only Level One sites. The next level of participants (Level Two) will enter the program in 2010-11 and Level Three sites will be introduced from 2014-15.

*For example:*

For sites that consume between 30 and 100 TJ of energy - the program will commence for these participants from 2010-2011.

## Who will the program apply to?

The Smart Energy Savings Program applies to Queensland's medium-to-large business energy users. The program will be implemented in stages, starting with businesses with sites that consume between 100 terajoules and 500 terajoules (TJ) a year ('participating businesses'). Such businesses are those that would annually spend between \$2.5 million and \$10 million on electricity, or between \$350,000 and \$2.25 million on gas on those sites.

Examples of businesses in Level One include mining, manufacturing and food processing organisations.

The threshold for participation will be reduced over time to capture smaller energy users above 10 TJ a year (approximately equal to the energy consumption of 270 average households).

Participants in the Smart Energy Savings Program will be identified through data collected from energy providers, and later collected under the *National Greenhouse Gas and Energy Reporting Act 2007*.

Businesses with sites in Queensland that are registered in the Australian Government's Energy Efficiency Opportunities Program are not required to participate in the Smart Energy Savings Program.

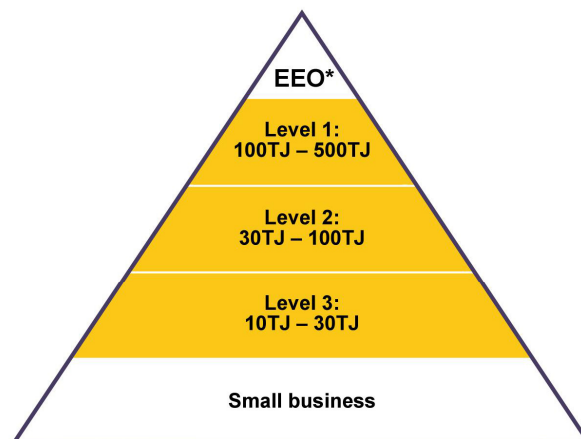


Figure 1. Smart Energy Savings Program energy consumption thresholds

\*Energy Efficiency Opportunities Program

## How will I know if I am a participant?

Provisions in the legislation allow the Regulator of the Program, the Director-General of the Department of Employment, Economic Development and Innovation, to identify potential participants based on their energy consumption data.

The Regulator will contact potential participants prior to the commencement of their first year of participation.

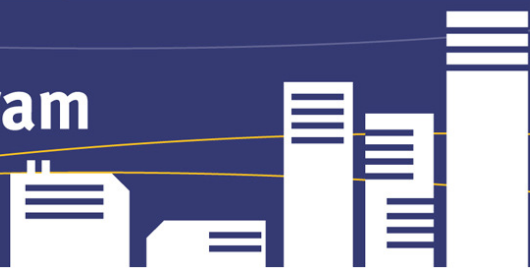
Businesses that are not captured in Level One or subsequent levels of the Smart Energy Savings Program, or have specific sites that are not captured, may voluntarily participate in the program.

## What will participating businesses be required to do to comply?

The Smart Energy Savings Program operates on a five-yearly cycle. To complete the Smart Energy Savings Program cycle, a business is required to:

- confirm participation by verifying energy use
- register to participate in the program
- audit energy use and identify energy savings measures
- produce an Energy Savings Plan of measures to implement
- publish a public commitment and annual updates on the actions to be taken
- in the third year, review progress and report
- in the fifth year, undertake an audit and collect baseline data for the next five-year cycle.

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## What energy saving measures will participants be required to report on?

Participants are required to publicly report the measures that they have chosen to implement in the Energy Savings Plan. The Energy Savings Plan must identify at least:

- one energy efficiency measure
- one energy conservation measure
- one energy management measure

Examples of energy savings measures may include:

- turning off machinery and electrical equipment when not in use
- adjusting the air-conditioning thermostat according to season
- updating procurement contracts to improve energy purchases
- installing new or replacing old technology to make a process more efficient
- changing feedstock/components or changing timing/length of operations to improve process efficiency

## Who can perform an audit?

Audits may be undertaken by an external provider or by existing staff qualified to undertake Level 2 audits according to *Australian/New Zealand Standard 3598:2000*.

## How long does the program run?

The Smart Energy Savings Program operates through a five-year cycle for each of the three participation levels. It is expected that Level Three participants will complete their first five-year cycle in 2019.

The Smart Energy Savings Program aims to prepare Queensland businesses for the implementation of the Commonwealth Government's proposed Carbon Pollution Reduction Scheme, the national emissions trading scheme.

## What if a participant fails to comply?

Penalties apply to participants that fail to comply with the program requirements, including mandatory registration of participating businesses, public reporting of measures to be implemented and the annual public update on the progress of these measures.

## Key definitions

### Verification of energy use

The total energy consumption of a site calculated using data over the 12-month period prior to commencement of the five-year cycle. This data will confirm participation in the program and inform the audit to be undertaken in the first year.

### Verification year

The year in which the business must count the energy use of its operations in each site to determine if the site meets or exceeds the energy threshold. If it does, the participating business must register the site, unless an exemption applies. The first possible verification year is 2009-10.

### Energy

To trigger participation in the program, the definition of energy is the amount used in the form of electricity and processed natural gas.

### Energy savings measures

Measures that improve energy efficiency, energy conservation and/or energy management.

### Energy conservation measures

Measures that result in a reduction of the amount of energy used.

### Energy efficiency measures

Measures that result in a reduction of energy used for the same or higher output.

### Energy management measures

Measures at the management level that increase the ability of the business to implement efficiency or conservation measures.

## More information

For more information, contact the Office of Clean Energy (during business hours).

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