

4 July 2018

The Secretariat
Trajectory for Low Energy Homes

Via email NEPPSecretariat@environment.gov.au

Dear Secretariat,

Trajectory for Low Energy Homes: Draft document for stakeholder input – June 2018.

The Public Interest Advocacy Centre (PIAC) is an independent, non-profit legal centre based in New South Wales. Established in 1982, PIAC tackles systemic issues that have a significant impact upon people who are marginalised and facing disadvantage. We ensure basic rights are enjoyed across the community through litigation, public policy development, communication and training. The Energy + Water Consumers' Advocacy Program represents the interests of low-income and other residential consumers, developing policy and advocating in energy and water markets.

PIAC welcomes the opportunity to comment on the Trajectory for Low Energy Homes: Draft document for stakeholder input – June 2018.

Q1. Which Performance Metric/s do you think would be most appropriate for the NCC? Are there others that should also be considered?

In PIAC's view, any performance metric should include the energy efficiency benefits of health and comfort and the reduced costs of:

- running the home
- system peak usage and
- to the environment.

Given the difficulty in retrofitting building fabric and the fact that it generally has a substantially longer life than appliances, efficient appliances and renewable energy systems should be added after the building thermal design minimum standards are met and not be used as a trade off against these. Passive thermal performance should be prioritised so that it is not cheaper to build a home that is overly reliant on active heating and cooling systems. Homes reliant on active heating and cooling systems are not only expensive to run year-round but can also be a health risk during a black out, especially in extreme temperatures.

The data relied on in the metric must be reviewed regularly to ensure that it is fit for purpose. For example, the climatic zones used must include current figures plus projections for the future, not just historical data. This may need to include new weather extremes and consequent design requirements to cope with these.

Minimum standards should be ratcheted up over time, to keep up with technological advances and - hand in hand with education and promotion of the benefits of passive design and energy efficiency – community standards.

Q2. What components do you think should be included in the scope for the NCC? For example, should renewable energy be included?

Renewable energy should be included but its inclusion should not come at the expense of energy efficiency, particularly thermal performance. Renewable energy systems should only be installed where it is appropriate, including not installing them where there is extensive shading and/or inappropriate orientation.

The Trajectory should include existing homes, not just new builds and renovations.

Reducing peak demand has overall system benefits through lower wholesale, transmission and distribution network costs. Therefore, ensuring that minimum standards also contribute to reducing peak demands should be included. This could be done through a number of measures such as distributed energy resources and real time communications to occupants that can enable them to participate and benefit from demand response programs.

Q3. How do you think the NCC could be best verified and strengthened?

Compliance is important for consumer protection. PIAC supports a verification method that not only assesses compliance at the design stage but also that the system installation is consistent with the design.

Q4. Do you think there should be a target for the sector and if so, what do you think it should be?

Any targets should be for health, comfort, running costs, system peak running costs as well as the cost to the environment. Targets should be supported by complementary policies which work to achieve this target.

Targets for existing homes are likely to be less straightforward and flexibility in the approach for achieving this target may be required. Mandatory disclosure of the energy efficiency of a dwelling at the point of lease or sale and minimum energy efficiency standards for rental properties might achieve the same outcome as a target.

Q5. Do you think anything has been missed in the scenarios being modelled and what are the implementation issues that need to be considered?

Understanding and awareness are also important ways to strive beyond the minimum standards as consumers become increasingly aware of the benefits of low energy homes. This includes having rating systems that are easy to understand and ensuring that the benefits are understood by builders, buyers and renters. Mandatory disclosure of the rating and projected running costs of a dwelling can play an important part in this. Communication and education of occupants should also form a part of the plan to ensure that they know the best way to operate their home.

Consideration needs to be given where upfront costs to energy efficiency prove to be a barrier to accessing a home that is cheaper to run in the long run. Carefully designed finance schemes and/or concessions as well as mandatory disclosure of long term running costs could help remedy this.

Q6. Do you have any other comments or suggestions?

Currently, renters have less capacity to improve energy efficiency or install renewable energy systems and other distributive energy resources than owner occupiers. In addition, owners of rental properties have few if any incentives to improve the energy efficiency of their dwellings. As such, there should be special provisions to protect renters. This could include additional requirements for build to rent investors, mandatory disclosure of the energy efficiency of a dwelling at the point of lease and minimum energy efficiency standards for rental properties.

Continued engagement

PIAC would welcome the opportunity to meet with the Secretariat and other stakeholders to discuss these issues in more depth.

Yours sincerely,

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