

Position Paper on Certificate Creation Practices for the Energy Saver Incentive

Submission by Wellbeinggreen

Wellbeinggreen thanks the Department of Primary Industries (DPI) for the opportunity to comment on the position paper issued in December 2009.

Wellbeinggreen supports the Department's proposal to recommend that that *Victorian Energy Efficiency Target Act 2007* be amended to enable rounding.

The severity of the issue and the need for action in the first phase of the scheme.

Our analysis shows that the revenue losses caused by rounding down at the activity and premises level are significant. These losses represent more than 6% of revenues for CFL installations, over 36% for shower head installations in metropolitan areas and over 11% for shower head installations in regional areas of Victoria. As a consequence, some Scheme activities are not commercially viable. We recommend implementation of the proposed changes at the earliest available opportunity.

Implementation timing.

Please see our comments above. We support the earliest possible implementation of the proposed changes and see no commercial or contractual reasons for any delay.

Rounding thresholds.

Wellbeinggreen supports rounding up in 0.5 increments. We support a simple rounding procedure across all activities that delivers a statistically satisfactory outcome that neither advantages nor disadvantages certificate creators and accurately tracks actual abatement against certificates created. We propose therefore that when the calculation of tonnes of abatement results in a decimal value of up to and including 0.5, the calculation be rounded down, while values of greater than 0.5 be rounded up.

Dr Graeme Towers

Chief Executive Officer

13 January 2010