

Environment and Resource Efficiency Plans (EREP) and the Energy Efficiency Opportunities program



The Victorian Government's Environment and Resource Efficiency Plans (EREP) program and the Australian Government's Energy Efficiency Opportunities (EEO) program both aim to support the largest resource using businesses to improve resource efficiency and business performance.

The EREP program has been specifically designed to avoid duplication with other programs.

This fact sheet outlines the relationship between the programs. More detailed information on the requirements of both programs is available through program regulations and guidance referenced at the end of this publication.

Environment and Resource Efficiency Plans overview

EPA's Environment and Resource Efficiency Plans program is a new, innovative regulatory program to help businesses reduce water and energy use and waste generation. The program is designed to support business efforts to improve the way resources are used and, importantly, save businesses money.

From 1 January 2008 all commercial and industrial sites in Victoria that use more than **100 TJ of energy and/or 120 ML of water** in a financial year need to prepare a plan that identifies actions to improve resource efficiency. These businesses need to assess their resource use and register with EPA by 31 March 2008, prepare a plan by 31 December 2008, then implement all actions with a three year or better payback period.

Energy Efficiency Opportunities overview

The EEO program is a mandatory energy efficiency program for large energy using corporations using more than **0.5 petajoules (500 TJ)** of energy per year. The program is administered through the Federal Department of Resources, Energy and Tourism (DRET).

The EEO program encourages businesses to improve their productivity while reducing greenhouse gas emissions and business costs through energy efficiency. Large energy using corporations are required to register, provide baseline energy use data and assessment and reporting plans, undertake energy efficiency opportunities assessments over five years, and publish annual public reports on their performance and their response to the assessments.

Aligning program requirements

Many large energy-using sites in Victoria are required to participate in both the EEO program and the EREP program. In developing the EREP program, The Victorian Government designed the requirements to allow for streamlining with the EEO and other similar programs.

Businesses participating in both programs have the option to complete their EEO assessment for their Victorian sites by 31 March 2008 and then use this work to apply for a partial exemption or finish their EEO assessment before the end of 2008 and include it in a complete EREP, which must be submitted to EPA by **31 December 2008**.

Energy use data

Both the EEO program and the EREP program require businesses to collect baseline energy use data. For the EEO program, the data can be aggregated and reported at key activity, business unit or site level, whereas the EREP program requires energy use data at the site level. The energy use definitions for both programs are the same, so businesses can use the data collected for the EEO program reporting for their EREP self-assessment and registration. Both programs' energy definitions include:

- energy used at premises including electricity, steam, compressed air, and combustible fuels such as petroleum, natural gas and LPG
- energy used by both mobile and stationary equipment.

Summary of program requirements

	EREP PROGRAM	EEO PROGRAM
Who must participate	Commercial and industrial sites using more than 100TJ/year of energy or 120ML/yr of water	Corporations using more than 0.5 PJ/year (500 TJ year) of energy
Who is not required to participate	Residential housing and primary production (with the exception of intensive livestock production and agricultural product processing)	Corporations whose main business is to generate electricity or supply natural gas or electricity until mid-2009
Energy use reporting	Includes electricity, steam, compressed air and combustible fuels such as petroleum, natural gas and LPG used at a site	Includes electricity, steam, compressed air and combustible fuels such as petroleum, natural gas and LPG at key activity, business unit or site level
Main requirements	<ul style="list-style-type: none"> • Self-assess energy and water use and register in program with EPA • Assess energy and water use and waste generation at site • Prepare an EREP that includes actions to reduce energy, water and waste • Implement actions that have a payback period of three years or less • Report on implementation progress 	<ul style="list-style-type: none"> • Self-assess energy use and register in program with DRET • Prepare an assessment and reporting schedule (ARS) for corporation's energy use • Carry out assessments, assessing at least 80% of the total energy used across the corporation • Publicly report the outcomes of the assessments
Implementation of actions	Mandatory implementation of actions with payback period of three years or less	Implementation of actions not mandatory, but businesses must report on whether they propose to implement actions or not

Program exclusions

The EEO program has given a three-year exemption, until mid-2009, to corporations whose main business is to generate electricity or supply natural gas or electricity. However, these sites are required to participate in the EREP program.

Residential housing and primary production sites, with the exception of intensive livestock production and agricultural product processing, are not required to participate in the EREP program. These sites may be required to participate in the EEO program if they contribute towards 80 per cent of a participating corporation's energy use.

Assessment and timing

The EEO program and EREP program have similar requirements for carrying out a resource efficiency assessment. The primary difference between the two programs is that an EREP requires an assessment of broader resource efficiency, specifically energy and water use and waste generation, while the EEO program requires assessment of energy use only.

Assessment and Reporting Schedules (ARSs) for the EEO program were due by **31 December 2007**. First assessments are due by **30 June 2008**, with reports due on those assessments by **31 December 2008**. An action plan under the EREP program is due by **31 December 2008**.

To satisfy both the EEO program and EREP requirements, when preparing their EEO program ARSs, businesses should schedule assessment of sites in Victoria that use over 100 TJ/year of energy or 120 ML/year of water before **30 June 2008**.

Under exceptional circumstances, the EREP program allows sites using between 100 and 250 TJ/year of energy and between 120 to 150 ML/year of water to apply for an extension until **31 December 2009** to submit plans. Obtaining an extension allows a business to schedule an EEO assessment for its Victorian site during 2008 and 2009. Businesses need to apply to EPA for an extension during the registration period for the EREP program between 1 January and 31 March 2008.

Implementation

In the EEO program, companies need to use a comprehensive assessment framework to identify energy efficiency opportunities with a payback period of four years or less, and to present the findings to their CEO and Board. Businesses decide which energy efficiency projects to invest in.

The EREP program requires sites to identify resource efficiency actions, prioritise actions and implement all actions that have a three-year or less payback period.

Both programs use the same formula to calculate financial payback period.

Public reporting

EPA will publish a register of sites participating in the EREP program. EPA will make public aggregated reports about compliance and performance under the program and, in partnership with some participants, prepare case studies about achievements under the program.

The EEO program requires businesses to submit a summary public and government report on the outcomes of any assessments and a business response to the findings.

Annual reporting

EEO program

The EEO program requires an annual public report that includes a summary of assessed energy use, the percentage of total energy assessed and progress on implementation of actions. This information can be presented disaggregated by key activity, business unit, site or corporate group member. The report must be first submitted within 15 months after the first EEO program assessment or within 30 months of the start of each assessment cycle, whichever is sooner (for example, by **31 December 2008**).

Companies are required to submit a more detailed report to the Department of Resources, Energy and Tourism providing energy use and savings data by fuel type and energy use as an indicator relative to a unit of production or service (in other words, energy use per tonne of product or energy use per square metre of building), by the time they publish their first public report (**31 December 2008**). A subsequent report is due every 30 months following.

EREP program

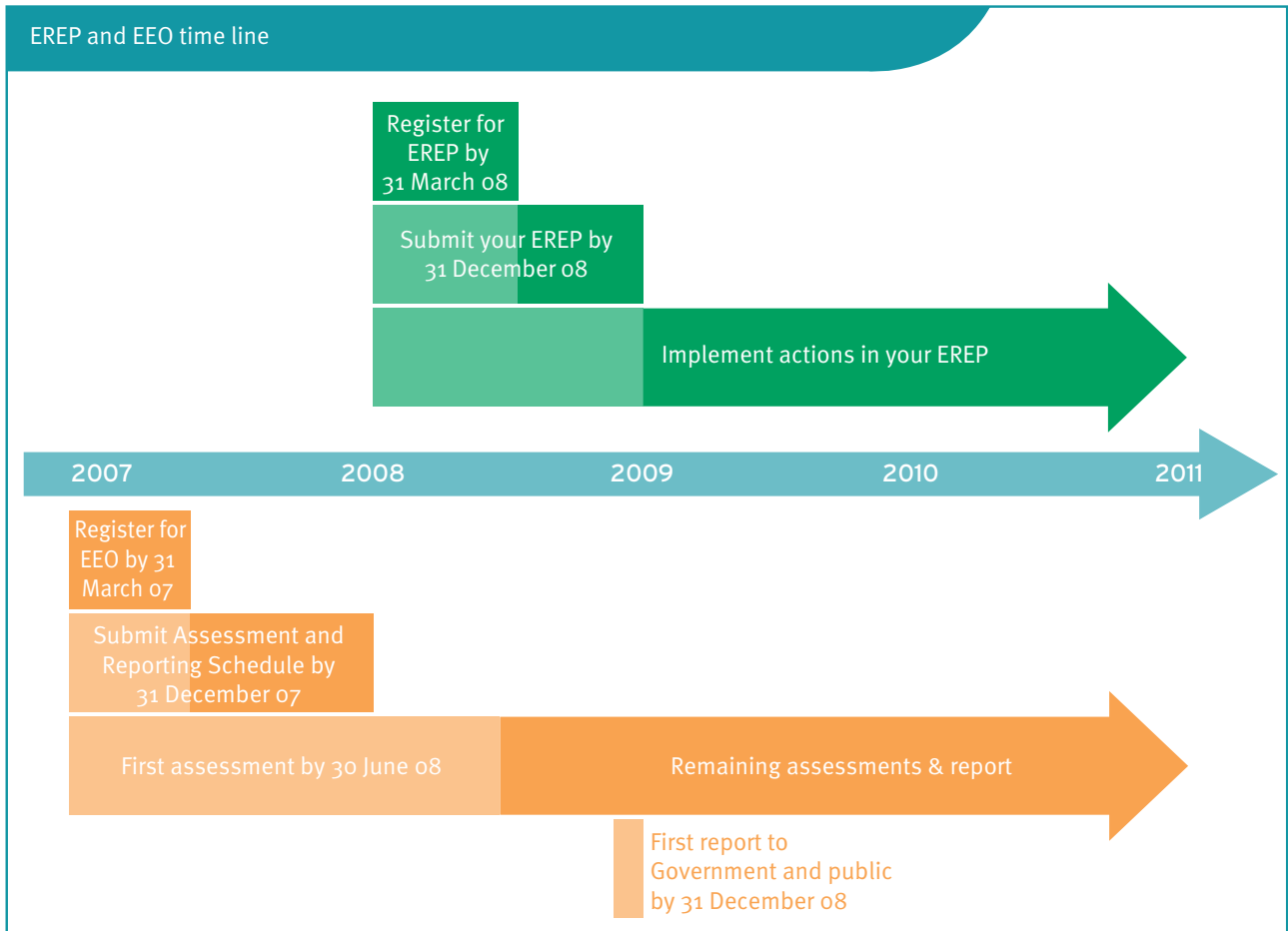
Businesses need to report annually to EPA on resource use data and the progress of implementing actions for the reporting period. Except for the first year, annual reports must be submitted within three months of the end of each financial year or another reporting period agreed with EPA. For the first year of the program, businesses will only need to report resource use data for the reporting period of 2007–08 and can submit this by **31 December 2008**. This will increase the opportunity for streamlined annual reporting with the EEO program.

Exemptions

To avoid duplicating resource efficiency work already done at your site as part of the EEO program, you may be able to apply for partial exemption from preparing the energy section of your EREP. For an exemption application to be accepted, your work must include all the necessary elements of an EREP, such as baseline data, planned actions, costs and payback periods and timeframes for implementation, as outlined in the EREP Guidelines. If approved as an exemption, this work will be considered an alternative plan and reporting and implementation requirements against this plan will be the same as that required in an EREP.

If you have a site in Victoria that has completed an EEO Assessment (that includes a list of actions with payback periods calculated) by **31 March 2008** you may like to apply for a partial exemption from the need to prepare an EREP for energy. It is more likely, however, that sites will be carrying out assessments during 2008 and these assessments may be used as part of a site's EREP. Before applying for an exemption, you should discuss with EPA the best way to gain recognition for your EEO resource efficiency work.

Any application for exemption must be made during the program registration period from **1 January to 31 March 2008**.



More information

If you have any comments or questions about the EREP program, please feel free to contact the EREP team:

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For more detailed information on EREP and Energy Efficiency Opportunities program requirements, please see the publications below.

The *Energy Efficiency Opportunities Act 2006*, Regulations and Industry Guidelines:

www.energyefficiencyopportunities.gov.au

The *Victorian Environment Protection Act 1970*, EREP Regulations and EREP Guidelines:

www.epa.vic.gov.au/erep