



## //GUIDE NOTE 8 GREENHOUSE CHALLENGE PLUS AND ENERGY SAVINGS ACTION PLANS

### **The two programs**

The NSW water and energy savings initiatives were introduced by the NSW Government in May 2005. They are administered by the Department of Energy, Utilities and Sustainability (DEUS) and include a requirement for certain businesses, government agencies and local councils to prepare Water and Energy Savings Action Plans. Plans must be prepared in accordance with the *Guidelines for Water/Energy Savings Action Plans*, available on the DEUS website at [www.deus.nsw.gov.au](http://www.deus.nsw.gov.au).

The Greenhouse Challenge Plus (GCP) Program is part of the Australian Government's climate change strategy. The GCP is a cooperative partnership between industry and the Australian Government to:

- reduce greenhouse gas emissions (including promotion of awareness of greenhouse gas abatement opportunities in industry)
- accelerate the uptake of energy efficiency
- integrate greenhouse issues into business decision-making
- provide more consistent reporting of greenhouse gas emissions levels.

GCP is managed by the Australian Greenhouse Office, within the Department of the Environment and Heritage (DEH).

DEUS and DEH are working closely together to ensure that the two programs complement each other and that work undertaken in one program may be incorporated into the other, to partially or wholly fulfil requirements. This Guide Note is intended as an overview. For full details, please contact DEUS or DEH on the numbers below.

### **Who do they involve?**

GCP is currently a voluntary program. However, under the Australian Government's Fuel Tax Act 2006, GCP membership will be mandatory from July 1, 2006 for all Australian business claiming fuel excise credits of more than \$3 million. Proponents of large energy resource development projects may also be required to be involved.

Energy Savings Action Plans must be completed by NSW businesses and government agencies with sites using more than 10 gigawatt-hours of electricity per annum and local councils with a population of more than 50,000 people. The organisations required to prepare Energy Savings Action Plans were gazetted in an Energy Savings Order in October 2005. The Savings Order can be accessed on the DEUS website at [www.deus.nsw.gov.au](http://www.deus.nsw.gov.au).



## What do they involve?

GCP covers **organisational** energy use and emissions. It involves undertaking an emissions inventory, preparing an action plan (including performance indicators and forecast of expected emissions abated), preparing a public statement, including the planned actions, and agreeing to participate in independent verification and annual progress reporting.

Energy Savings Action Plans are for **sites**. They involve determining current energy use, undertaking a management review, undertaking a detailed technical review and assessing and identifying energy savings measures. Users must submit annual progress reports and undertake a review after four years.

## Energy Types

GCP includes electricity, energy consumed by stationary equipment (fuel combustion) and energy consumed by mobile equipment and transport vehicles. Other non-energy sources of greenhouse gases (e.g. leakage from mining, waste, industrial processes etc) should also be included in the inventory as well as greenhouse gas sequestration activities (e.g. tree planting).

Energy Savings Action Plans include all energy imported to the site (e.g. electricity and steam), energy consumed by stationary equipment and energy used as a direct input to electrolytic or metallurgical processes. Energy for mobile equipment and transport vehicles or energy used as a direct input to production processes is not required, but can be included.

## Baseline Data

GCP preference is that the baseline year should coincide either with the annual year or the Australian financial year.

Energy Savings Action Plans require businesses to use a recent year of energy data, reflecting 'regular and repeatable' use. This is likely to be a 12 month period between January 2004 and January 2006.

## Management and Technical Reviews

GCP does not specify that a management or technical review must be undertaken. It does specify that following the emissions inventory, companies are to determine the most appropriate and cost-effective actions to reduce greenhouse gas emissions and include expected emission reductions. In most cases some form of technical review would be required to achieve this outcome.

Management and technical reviews must be undertaken for Energy Savings Action Plans. The intent of the Technical Review for the Energy Savings Action Plan is to provide a detailed breakdown of energy use at a site, identify all possible energy savings measures and evaluate those with a practical application. See the DEUS Guidelines for Energy Savings Action Plans or DEUS Guide Note 3 for details.

## Timeframes

Each GHC Plus member is required to submit progress reports annually as specified in the Cooperative Agreement.



The Energy Savings Action Plans must be submitted by nominated dates between June and December 2006, as specified in the gazetted Savings Order.

### Opportunities for integration

Organisations with obligations under both programs will be able to use work undertaken for one to wholly or partially meet requirements of the other. These may include:

- Baseline data – if an organisation has collected 12 months of baseline data for stationary equipment as part of GCP, this data could be used for the Energy Savings Action Plan if it was collected within the last 3 years and if no major changes have been made to these sites since the collection of this data.
- Technical review – if an organisation has participated in GCP, this may be used as part of the technical review for the Energy Savings Action Plan. However it is likely that additional investigations would be required to meet the necessary technical standard required by the *Guidelines*. The energy audit undertaken for the Energy Savings Action Plan may provide the data required for the GCP assessment.
- Identifying savings measures – the savings measures identified in GCP could be included in an Energy Savings Action Plan, where appropriate cost-benefit and technical analyses have been undertaken to support those measures.

For full details and answers to specific questions for your organisation, please contact one of the DEUS energy savings specialists or DEH on the numbers below.

### More information

Visit [www.deus.nsw.gov.au/waterandenergysavings](http://www.deus.nsw.gov.au/waterandenergysavings) or call DEUS on (02) 8281 7417 and ask to speak to your organisation's Energy Savings Specialist.

For further information on the Greenhouse Challenge Plus program, visit [www.greenhouse.gov.au/challenge/](http://www.greenhouse.gov.au/challenge/) or call the Department of Environment and Heritage on 02 6274 1888.

### Related publications available on the DEUS website

*Guidelines for Energy Savings Action Plans*

Guide Note 1 – Savings Orders - legal requirement to prepare Water and Energy Savings Action Plans

Guide Note 3 – Technical review requirements for Energy Savings Action Plans

Guide Note 6 – Federal Energy Efficiency Opportunities Program and Energy Savings Action Plans

Guide Note 9 – Energy Savings Action Plans and other DEUS energy programs

Guide Note 10 – Preparing and Submitting your Savings Action Plan

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