Kieran Price
Manager, Regulatory Reform
Department of Energy, Environment and Climate Action
Submitted via Engage Victoria

31 October 2026

Re: Remaking the VEU project-based activities regulations

Dear Kieran,

The Energy Efficiency Council (EEC) welcomes the opportunity to comment on the proposed remaking of the Victorian Energy Efficiency Target (Project-Based Activities) Regulations.

The EEC supports the Victorian Government's decision to proceed with Option 1 of the regulatory impact statement: maintaining the existing regulatory framework for project-based activities (PBAs).

EEC members support retaining appropriate safeguards around measurement and verification (M&V) projects. However, member feedback indicates that the key source of regulatory burden is less the number of stages in the PBA process than the time taken to process documentation at each stage.

This is consistent with concerns raised in EEC's April 2026 submission[i], which identified lengthy delays between project approval and commencement as a barrier to PBA uptake and supported efforts to reduce administrative hurdles.

Rather than removing regulatory stages, EEC considers that the priority should therefore be to improve the efficiency and timeliness of their administration.

Improve processing times for PBA applications

Members have reported that processing times can be lengthy, particularly where an Accredited Person (AP) needs to correct an error or provide further information. Members report that, in some instances, resubmitted documentation effectively returns to the end of the processing queue, creating substantial additional delays for relatively minor issues.

These delays can increase project uncertainty and administrative costs and delay commencement of otherwise viable energy efficiency and electrification projects.

EEC recommends that the Essential Services Commission (ESC), alongside the remaking of the Regulations, review its administration of the PBA process with a view to:

- reducing processing and response times at each stage;

- establishing a more efficient process for resolving minor errors and requests for additional information, without applicants unnecessarily returning to the end of the assessment queue; and
- improving guidance and application materials to reduce avoidable errors in the first instance.

This approach would preserve the assurance provided by Option 1 while responding directly to the administrative barriers experienced by APs.

Improve transparency of the PBA register

EEC members have also identified an opportunity to improve the transparency of PBA activity.

Members advise that projects are currently added to the PBA register when the project plan is approved. However, many projects proceed through the SMM or advanced M&V pathways, which do not require project-plan approval. As a result, these projects may not become visible on the register until certificates are being created.

This can give industry and energy consumers an incomplete picture of current M&V activity under the VEU program. It also reduces the usefulness of the register for potential project participants seeking to understand whether the method is being actively used and whether prospective APs are active in the market.

EEC recommends that all PBA projects be added to the public register when scoping is approved, irrespective of the subsequent M&V pathway.

A more complete register would provide greater visibility of activity under the PBA framework, demonstrate that the method continues to support projects and help prospective energy consumers identify APs that are actively delivering PBA projects.

Summary of recommendations

EEC supports the adoption of **Option 1**, while recommending that the Victorian Government and ESC accompany the remade Regulations with administrative reforms focused on:

1. **faster and more efficient processing of PBA documentation**, particularly where minor corrections or additional information are required; and
2. **greater transparency of PBA activity**, by recording all projects on the public PBA register from the point of scoping approval.

Together, these changes would retain the integrity safeguards of the existing PBA framework while addressing practical barriers experienced by APs and improving industry confidence in the operation and uptake of the method.

For further information please contact me via email on jeremy.sung@eec.org.au.

Yours sincerely



Jeremy Sung

Head of Policy

Energy Efficiency Council

[i] EEC Submission on the VEU industrial heat decarbonisation consultation paper, April 2026, https://eec.org.au/wp-content/uploads/2026/04/April-2026-VEU-Industrial-Heat-Consultation-EEC-Submission.pdf.