

DECEMBER 2019

# VEU & ESS YEAR IN REVIEW

Prepared by  
Emerald Planet

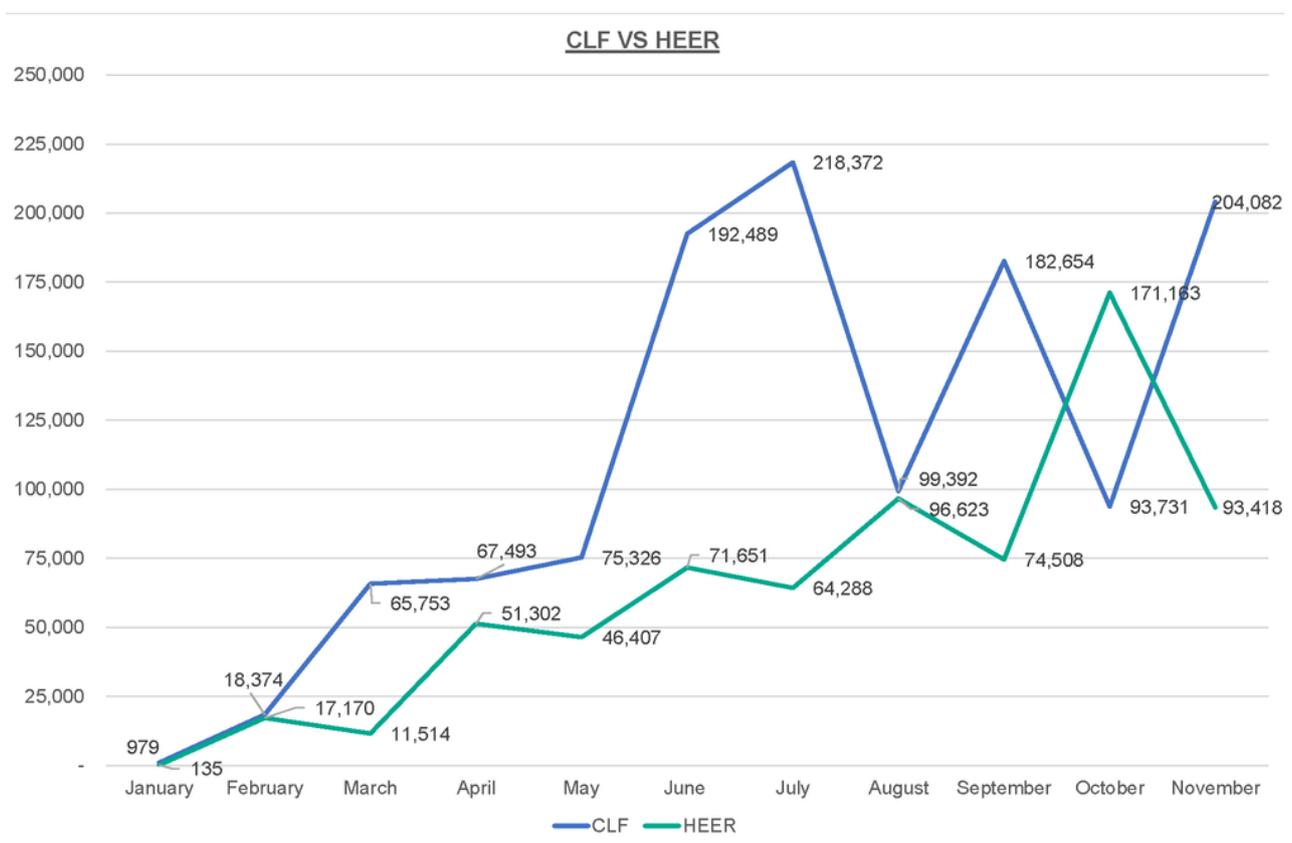


**EMERALD**  
PLANET

*\* based on data from 1st Jan-10th Dec 2019*

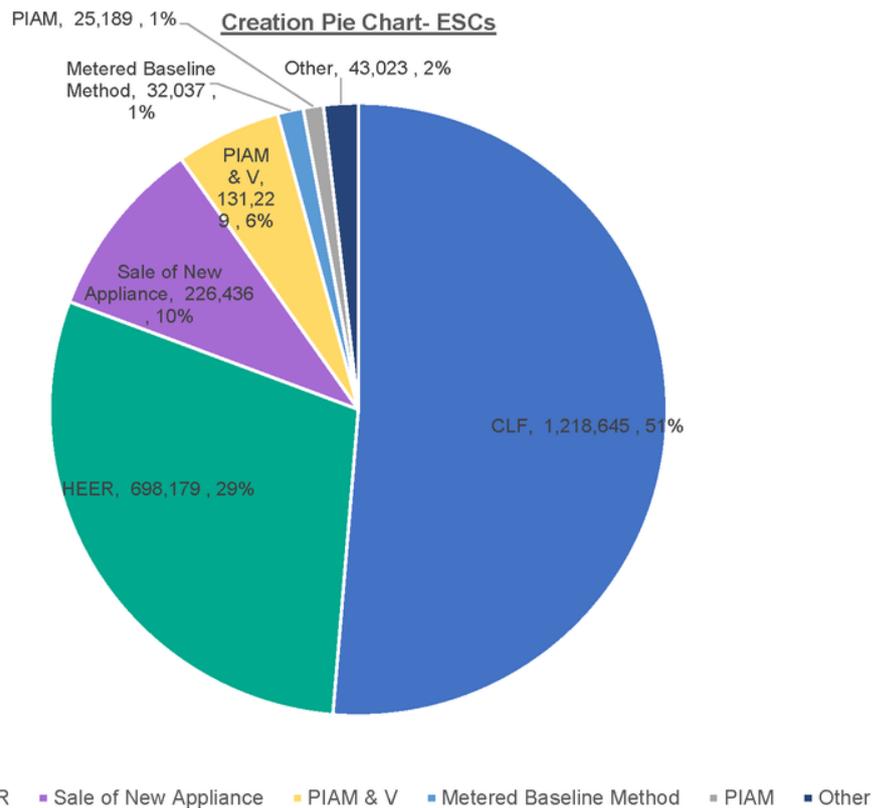
# NSW Energy Saving Scheme

In 2019, the NSW Energy Saving Scheme (ESS) continued to be dominated by lighting activities. The Home Energy Efficiency Retrofit (HEER) activity steadily grew through the year, following the 2018 increase to incentives for T8 replacement in small businesses with high efficacy LED panels and battens.



Emerald Planet's Commander Panels, 5000 Series Battens and HP Eclipse Downlights, yield maximum abatement in their categories under HEER and were the preferred products for installation across NSW during 2019.

HEER was responsible for nearly one third of all certificates created in 2019 and together with Commercial Lighting, represented the two dominant activities in ESS, with over 80% of total certificate creation.

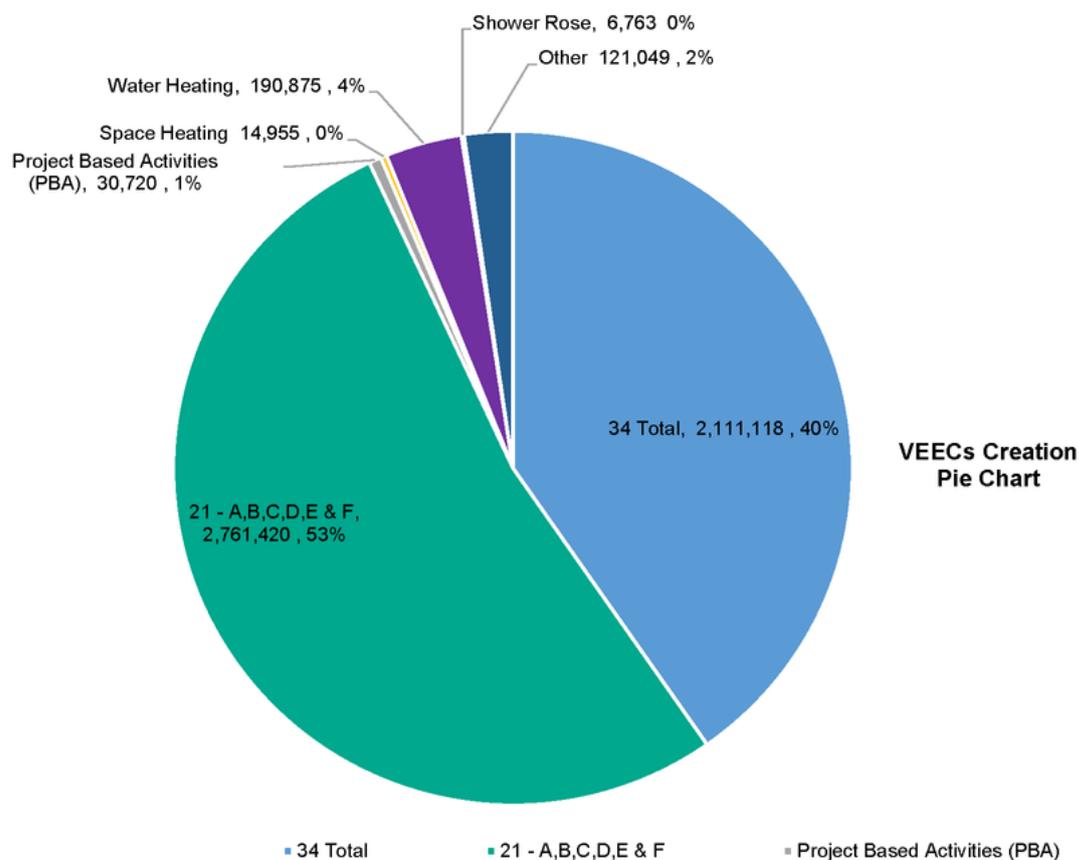


This in turn led to broader uptake of LED downlights in the residential and small business parts of the market, which had previously experienced very low uptake, in favour of larger commercial installations. Commercial Lighting upgrades continued to be the dominant activity within ESS, representing half of all certificates created in 2019. This is despite a downward revision of the asset lifetimes, which came into effect in November 2018 and effectively lowered Commercial Lighting abatement values up to 30% for some space types.

2019 was a state election year for NSW and the Office of Environment and Heritage transitioned to become part of the newly formed Department of Planning, Industry and Environment (DPIE). DPIE continues to be responsible for developing the policy behind ESS and in November 2019 announced an extension to the scheme to 2050, with a gradual increase to the annual target to 13% by 2030. The Energy Saving Scheme will shortly be transitioned to the “Energy Security Safeguard”, with support for the rollout of peak demand reduction technologies. This presents exciting new opportunities for suppliers to innovate and deliver a broader range of energy saving technologies to the market.

# Victorian Energy Upgrades

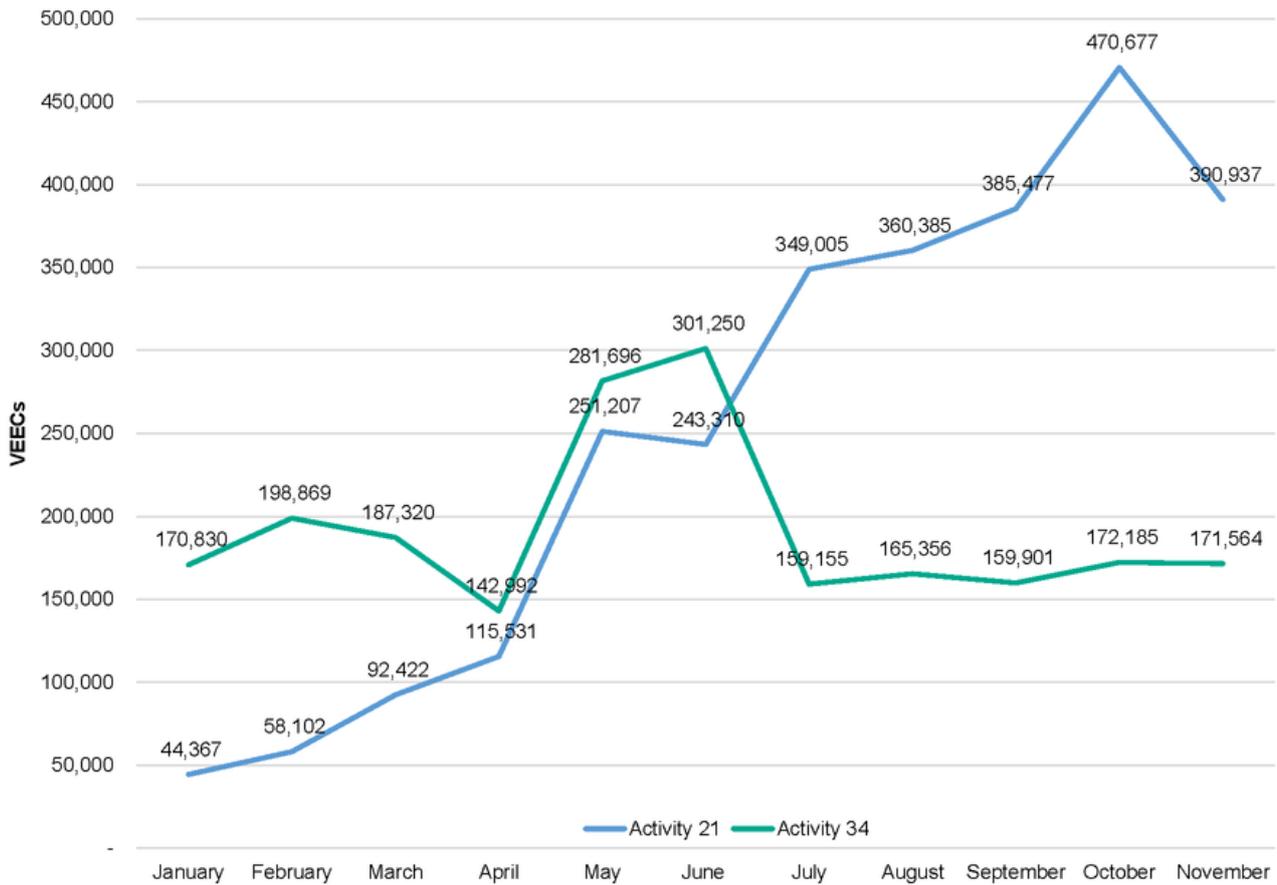
2019 was a strong year for VEEC creation, with a total of 10.1 million certificates registered for the year.\* This accounts for all of the 2019 target, plus just under half of the 2020 target.



Major changes to lighting activities in the VEU came into effect in December 2018, which shaped the pattern of uptake of lighting activities in 2019. In particular, the rapid uptake and expansion of the reinvigorated Activity 21, and in particular 21A (GLS Lighting), was responsible for the generation of more than half of the certificates in the year.

\* based on data from 1st Jan-10th Dec 2019

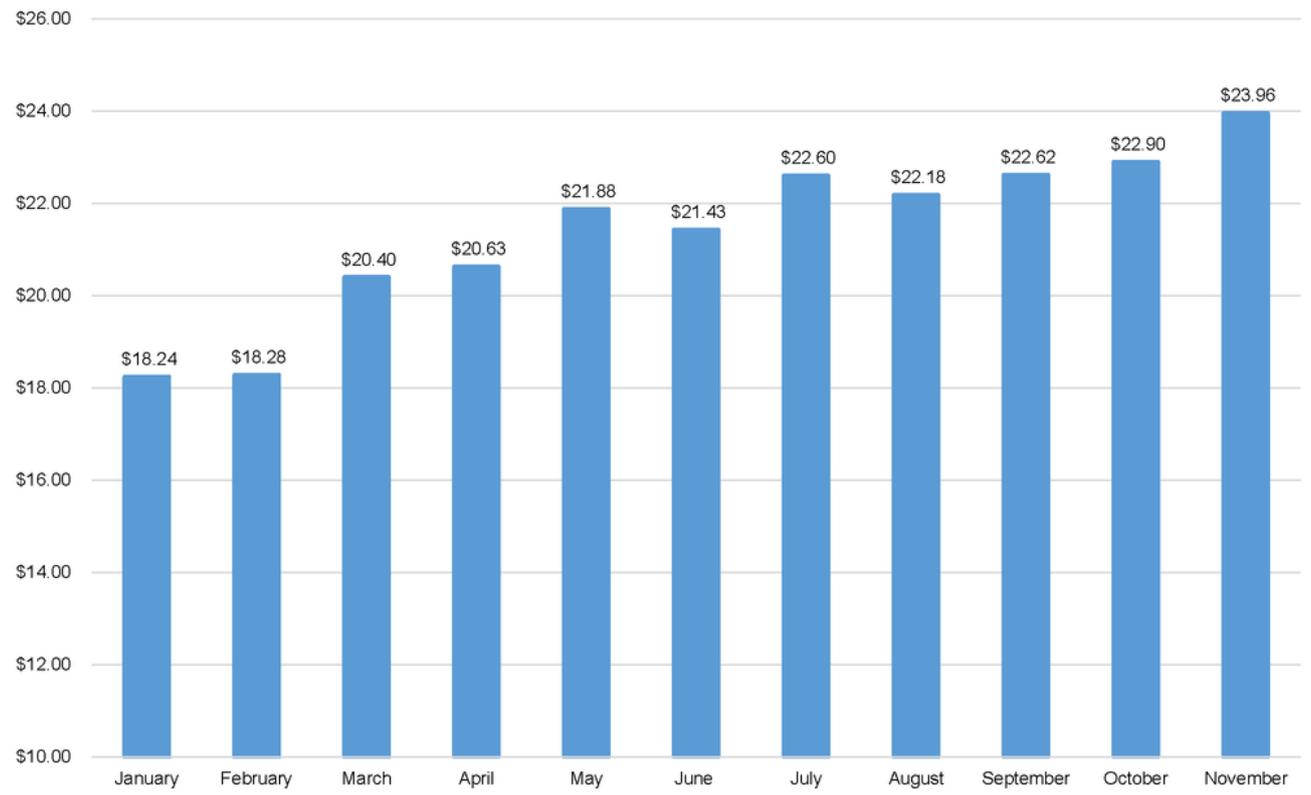
## 21 VS 34



Activity 34 (Commercial Lighting) still accounted for the majority of other certificate creation, with far smaller amounts coming from project based activities, space heating and water heating. Although still high, Commercial Lighting’s contribution was proportionally a decrease on the previous year, as industrial lighting installation opportunities decreased and the market focused on residential lighting installations.



## VEEC Price



Despite the increase in weekly certificate creation, the VEEC price rose during 2019. And has continued to climb throughout December 2019, reaching a peak of \$31.25.

Their nominated preference is to increase scheme targets, whilst removing lighting activities from 2021, with the exception of T8 and T12 tube replacement.

Lighting activities have been an overwhelming success in the VEU market since its inception and represent the majority of all certificates created. In December 2019, the Department of Environment, Land, Water and Planning (DELWP) announced the proposed VEU targets for the 2021 to 2025 period, in parallel with their proposed changes to lighting activities in the program.



If this is the case, 2020 will be a strong year for lighting within VEU, while LED panels and LED battens will continue to be a part of the program moving forward. LED tubes saw an abatement drop in the December 2018 changes, so played a lesser role in the replacement of T8 and T12 fluorescent fittings.

Additionally, a rise in the penalty rate to over \$100 per certificate gives potential for the VEEC price to rise to unprecedented highs under the right market conditions, opening up opportunities for other activities to become viable.

These changes will likely cause a spike in demand for all lighting in the VEU program through 2020 as participants seek to complete lighting installations ahead of the deadline. It remains to be seen what activities will be promoted to take the place of certificate created attributed to lighting activities in VEU. In the short term, low flow shower heads and In Home Displays (IHDs) will be a market focus and Emerald Planet will have strong product offerings in readiness.



# Emerald Planet in 2019

*A summary of the a productive & growth year, 2019!*

2019 has been a year of significant growth and expansion for Emerald Planet. As the largest supplier of the HEER market in NSW, the continued strong demand for high efficacy LED panels and battens has provided benefits to other markets, notably Queensland, ACT and SA, where similar LED upgrade projects have advantaged from the low product cost for product specifications, superior to alternative offerings in their traditional markets.

Emerald Planet has developed a number of new lighting products during the year, including the versatile Uni Batten range, the ultra high efficiency OmniD A-bulbs, back lit Vanguard Panels and a new range of specialised sports field lighting.

***"Throughout 2019 we have seen a huge amount of growth across our business and exciting activity in product development."***

Whilst continuing to play an integral role as a primary supplier to the Australian carbon abatement markets, Emerald Planet continued to expand into the Queensland market through our innovative range of photoelectric smoke alarms.

In parallel, we continued to secure projects for LED lighting upgrades in the education space, with significant projects at Griffith University and Victoria University. Our robust anti ligature LED battens were a key feature of an LED upgrade at Parklea Prison, diversifying the range of environments we service.

2020 will continue this trend with Emerald Planet playing a major role in the emergence of new lighting upgrade projects across Queensland secondary schools. Our presence in the specialised sports lighting market will continue to expand in 2020 with the new Ocular and Grand Vista range, designed to offer exceptional value to the small and mid-sized sporting facility space. Despite the likely upcoming removal of the majority of lighting activities from the VEU program, outdoor lighting will remain part of the program ongoing and is a strong market opportunity.

Additionally, we have launched the new Emerald Planet website, bringing eCommerce functionality to our

customers with self-service and ordering capabilities, 24/7.

2020 is shaping to be a year of strong performance in the lighting markets for Emerald Planet, coupled with the emergence of new energy efficiency technologies to be incentivised in the VEU market for the first time. It is a period of change for the market which will benefit diversity in technology, as it moves away from lighting as the primary certificate generation source. Emerald Planet remains strongly invested in continuing our philosophy of delivering best-of-breed energy efficiency technology and stands ready to work with our AP and ACP partners to drive success into these diverse new markets.

## 2019 Highlights

- Introduction of our Sports Lighting: Grand Vista and Ocular
- Launch of our largest batten range: the Uni Batten Series
- Our new eCommerce website launch: [emeraldplanet.com.au](https://emeraldplanet.com.au)
- Introduction of our slimline back-lit panel, the Vanguard Series
- Continued growth across all states throughout Australia

# The Emerald Planet Team

*Meet the dedicated team members that make Emerald Planet tick!*



From strategy to ideas to development and more, our multidisciplinary team is focused on developing new and interesting ways to ensure our customers are at the centre of what we do. And what's more, they're handpicked based on their integrity, commitment and passion to be part of a strong team.