



Scheme Participants

# Compliance Guide

September 2022

ESS »

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## Document Control

Version number	Change description	Date published
V1.7	Guidance for 2015 compliance year	December 2015
V2.0	Guidance for 2016 compliance year	December 2016
V3.0	Renamed 'Scheme Participant Compliance Guide' (previously the 'Guide to the AESS'). Guidance for 2017 compliance year.	November 2017
V3.1	Guidance for 2018 compliance year.	November 2018
V3.2	Guidance for 2019 compliance year.	December 2019
V3.3	Renamed 'Compliance Guide – Scheme Participants' Updated references of Schedule 4A to the Electricity Supply Act 1995 Guidance for 2020 compliance year,	December 2020
V3.4	Amended requirement and guidance for the Inputs – Exempt Loads worksheet of the AESS template.	January 2021
V3.5	Removed requirement for reporting proportion of electricity used in connection with specified activity for Exempt Loads	March 2021
V4.0	Amended signatory requirements and additional guidance on Scheme Participant obligations and how to comply with these obligations.	December 2021
V4.1	Updated to reflect the introduction of The Energy Security Safeguard Application (TESSA) and minor changes in procedure	September 2022

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# 1 About this Guide





The *Compliance Guide – Scheme Participants (this Guide)* sets out obligations that apply to all Scheme Participants of the NSW Energy Savings Scheme (**ESS**) and how Scheme Participants comply with these obligations. It includes information on the process that Scheme Participants follow to meet these requirements, and deadlines that apply to this process.

## 1.1 Scheme Participant documentation

This document is a guide only and is not legal advice and should be read in conjunction with other documentation relevant to Scheme Participants of the ESS.

The legal requirements for Scheme Participants of the ESS are set out in Table 1 along with relevant guidance material and reporting and administrative tools.

Table 1 Documentation relating to Scheme Participants of the ESS

Document type	Document
Legislative requirements 	Part 1 of Schedule 4A to the <i>Electricity Supply Act 1995</i> ( <b>Act</b> ) Part 6 of the <i>Electricity Supply (General) Regulation 2014</i> ( <b>Regulation</b> )
Exemptions legislation 	<i>Energy Savings Scheme (Electricity Load Exemptions) Order</i> ( <b>Ministerial Order</b> ) for the relevant compliance year <sup>a</sup> <i>Scheme Regulator Exemptions Rule No. 1 of 2016</i> ( <b>Exemptions Rule</b> ).
Guidance material 	<i>Compliance Guide – Scheme Participants</i> (this document) <i>Audit Guide – Scheme Participants</i> <i>Audit Services Panel Agreement</i>
Reporting & administrative tools 	<i>Template – Scheme Participants – Annual Energy Savings Statement</i> <i>Template – Scheme Participants – Nil Return</i> <i>DSW Submission Form – AESS</i>

<sup>a</sup> The *Energy Savings Scheme (Electricity Load Exemptions) Order* (**Ministerial Order**) is made periodically, generally each year. We list the Ministerial Orders for the current compliance years on our [Exempt Electricity Loads](#) webpage.

## 2 Scheme Participant obligations

Each year Scheme Participants must:

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1

**Prepare an energy savings statement**

Determine if you need to complete an AESS or Nil return.

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2

**Calculate your individual energy savings target**

The individual energy savings target is calculated in your AESS or declared as zero in a Nil return.

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3

**Meet your individual energy savings target and carried forward shortfall:**

by acquiring and surrendering ESCs\*

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4

**Have your energy savings statement audited (unless exempt)**

Nil returns do not require an audit,  
For AESS audit exemption criteria refer to section 3.4.

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5

**Sign your statement according to the Signatory requirements**

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6

**Lodge your statement by 30 April**

Lodge your Nil return or AESS and audit with IPART by 30 April

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7

**Pay any energy savings shortfall penalty**

\* if you failed to meet your individual energy savings target and carried forward shortfall by surrendering enough ESCs at step 3 you are liable for an energy savings shortfall penalty.

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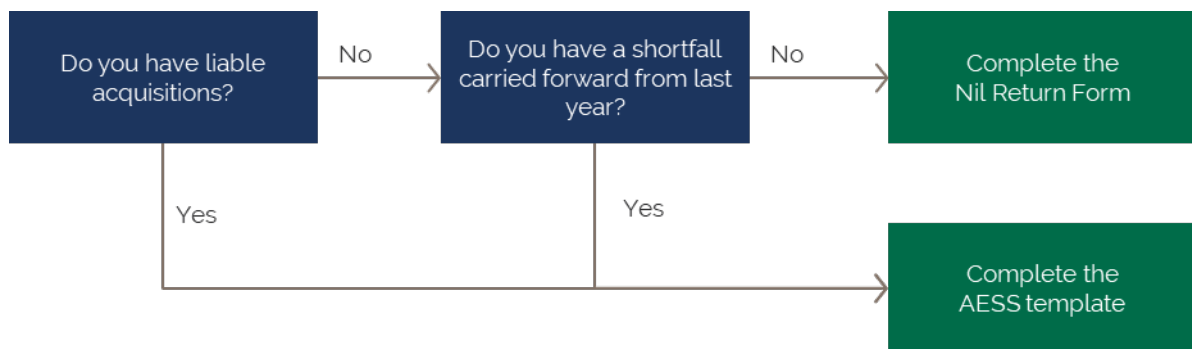
### 3 How to comply with your obligations

This chapter provides Scheme Participants guidance on how to comply with their Scheme Participant obligations.

#### 3.1 Prepare an energy savings statement

Scheme Participants must lodge an energy savings statement each year using either the Annual Energy Savings Statement (AESS) template or Nil Return Form. Use the decision tree in Figure 1 to determine if you need to complete an AESS or Nil Return.

Figure 1 Decision tree to determine which energy savings statement to complete



Liable acquisitions are defined in Clause 10 of Schedule 4A to the Act and are explained in Box 1.

Any shortfall carried forward from last year will be listed on your previous year's Notice of Assessment.

Guidance on preparing your AESS is provided in chapter 4.

## Box 1 Clause 10 of Schedule 4A to the Act Liable acquisitions

### ***Liable acquisitions***

- (1) *For the purposes of this Part, a liable acquisition is any purchase of electricity by a scheme participant, from the Market Operator or from any other person, whether or not a registered participant under the National Electricity (NSW) Law, where the electricity is purchased for consumption by, or onsale to, end users in this State, or for use in this State.*
- (2) *A supply of electricity generated by a scheme participant is also to be treated as a liable acquisition under this Part if—*
  - (a) *the scheme participant is a retailer and the electricity is supplied by the retailer for consumption by, or onsale to, end users in this State, or for use in this State, or*
  - (b) *the scheme participant is a direct supplier of electricity and the supply is of a kind specified by the regulations to be a liable acquisition under the scheme.*
- (2A) *However, if a scheme participant purchases electricity from another scheme participant, the purchase is not a liable acquisition if the purchase of the electricity is, or the supply of the electricity is to be treated as, a liable acquisition for that other scheme participant or for a scheme participant who is further up the chain of supply of the electricity.*
- (3) *For the purposes of this Part—*
  - (a) *a liable acquisition is made by a scheme participant on the date the electricity is purchased by the scheme participant or, in the case of a supply of electricity treated as a liable acquisition, supplied by the scheme participant, and*
  - (b) *the value of a purchase or supply of electricity is the amount of electricity purchased or supplied, expressed in megawatt hours.*
- (4) *Electricity is taken to be purchased by a scheme participant on the date the electricity is physically delivered to the scheme participant (regardless of when the contract or other arrangement for purchase of the electricity was entered into or made).*
- (5) *This clause is subject to Division 5 (which provides for exemptions).*

Source: NSW Government website: NSW legislation – *Electricity Supply Act 1995*  
<https://legislation.nsw.gov.au/view/html/inforce/current/act-1995-094#sch.4A>



## 3.2 Calculate your individual energy savings target

Your individual energy savings target is calculated in your AESS or declared as zero.

### 3.2.1 Scheme Participants completing a Nil Return form

Scheme Participants completing a Nil Return form make a declaration that:

- the company has made no liable acquisitions for the compliance year, and
- its individual energy savings target is zero.

### 3.2.2 Scheme Participants completing an AESS

If you are completing an AESS, the template calculates your individual energy savings target as per clause 9 of Schedule 4A to the Act, (the calculation is shown in Box 2).

#### Box 2 Calculating your individual energy savings target

$$\begin{array}{l} \textit{Individual energy} \\ \textit{savings target} \\ \textit{(notional MWh)} \end{array} = \begin{array}{l} \textit{Liable acquisitions} \\ \textit{(MWh)} \end{array} \times \begin{array}{l} \textit{Energy savings} \\ \textit{scheme target} \\ \textit{(\%)} \end{array} \times \begin{array}{l} \textit{Energy conversion} \\ \textit{factor} \end{array}$$

Guidance on inputs to the AESS template used to calculate liable acquisitions are presented in the following sections:

- 4.2 'Inputs – Market acquisitions' worksheet
- 4.3 'Inputs – Nonmarket acquisitions' worksheet
- 4.4. 'Inputs – Exempt loads' worksheet

The energy savings scheme target and energy conversion factor for each compliance year are set out in Schedule 5 of the Act. The relevant energy savings scheme target and energy conversion factor are built-in to the AESS template.

## 3.3 Meet your individual energy savings target and carried forward shortfall

Scheme Participants meet their individual energy savings target, and any carried forward shortfall from the previous year by surrendering energy savings certificates (**ESCs**).

### 3.3.1 Scheme Participants completing a Nil Return form.

By filling in a Nil return form, you are declaring that no ESCs need to be surrendered for the compliance year.

### 3.3.2 Scheme Participants completing an AESS

The AESS template automatically calculates how many ESCs you need to surrender to your combined individual energy savings target and carried forward shortfall (as shown in Box 3).

A Scheme Participant may carry forward up to 10% of its individual energy savings target to the next year but must remedy that shortfall carried forward in the next year.

#### Box 3 Calculating how many ESCs you need to surrender

$$\begin{array}{r}
 \text{ESCs required to be} \\
 \text{surrendered to} \\
 \text{meet your target} \\
 \text{and shortfall}
 \end{array}
 =
 \begin{array}{r}
 \text{Individual energy} \\
 \text{savings target} \\
 \text{(notional MWh)}
 \end{array}
 +
 \begin{array}{r}
 \text{Shortfall carried} \\
 \text{forward from} \\
 \text{previous year} \\
 \text{(notional MWh)}
 \end{array}
 -
 \begin{array}{r}
 \text{Shortfall carried} \\
 \text{forward to next year} \\
 \text{(notional MWh)}
 \end{array}$$

### 3.3.3 Acquiring and surrendering ESCs

The transfer of ownership and surrender of ESCs must occur in TESSA. Scheme Participants need a TESSA account if they wish to acquire and surrender ESCs.

#### Creating a TESSA account

To create a TESSA account:

- Submit a registration form and intended purpose for the account on the TESSA Portal, and
- Provide documents adding up to 100 points to confirm your identity.

Refer to our website for instructions on how to [register for an account](#) on TESSA.

#### Acquiring ESCs

Trading of ESCs occurs outside of TESSA. When such a trade occurs, the change in ownership of those certificates must be recorded as a transfer in TESSA.

Refer to [Transferring certificates](#) for instructions on transferring certificates.

#### Surrendering ESCs

As a Scheme Participant, you need to surrender ESCs in TESSA to meet your individual energy savings target and carried forward shortfall. You have until 30 April to surrender ESCs for the previous compliance year.

You can only surrender ESCs with a vintage of the current compliance year or earlier.<sup>b</sup> Therefore, Scheme Participants need to consider the vintage of certificate when acquiring ESCs.

Guidance can be found on our [Surrendering certificates](#) webpage.

### 3.4 Have your energy savings statement audited (unless exempt)

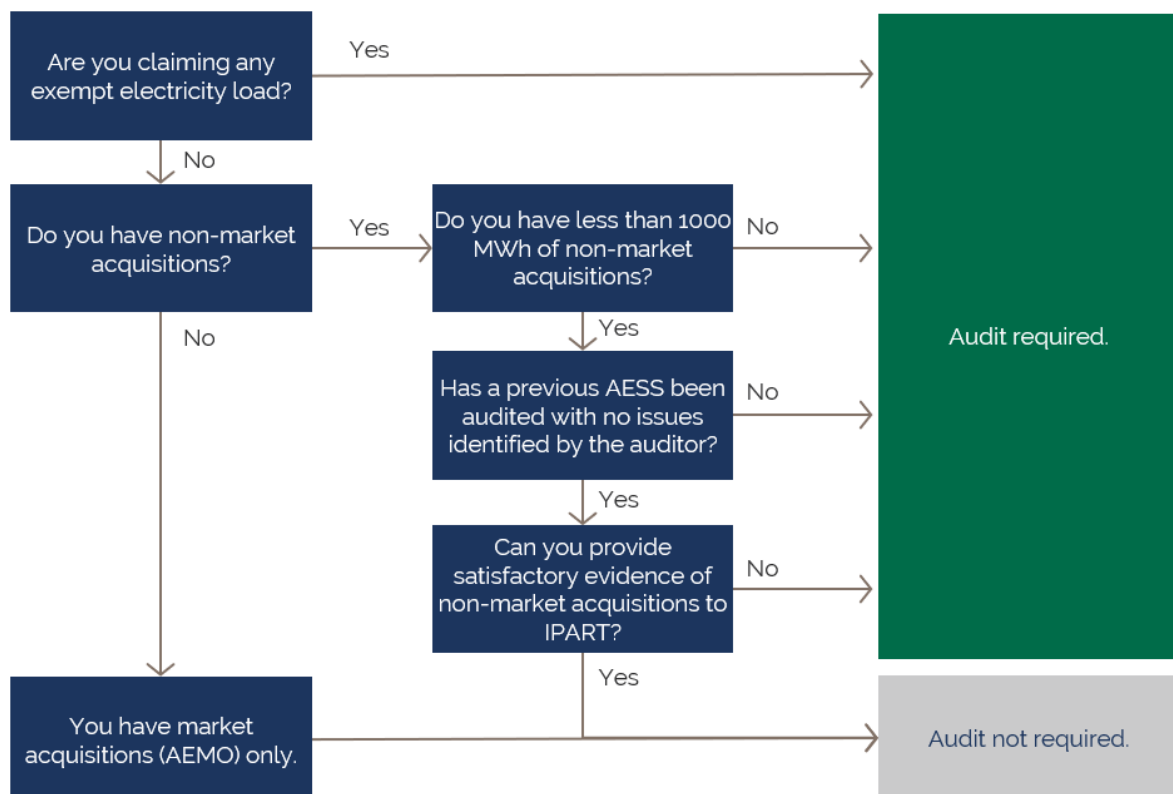
#### 3.4.1 Scheme Participants completing a Nil Return form

Nil Return forms do not require an audit.

#### 3.4.2 Scheme Participants completing an AESS

We require all AESSs to be audited, unless you meet our exemption criteria. Most AESSs will require an audit. Use the decision tree in Figure 2 to determine if an audit is required.

Figure 2 Decision tree to determine if an audit is required



<sup>b</sup> For example, Scheme Participants can only surrender ESCs of 2009 to 2018 vintage to meet a 2018 compliance year obligation, 2019 vintage ESCs cannot be surrendered against a 2018 compliance year obligation.

In special cases the Scheme Regulator may publish on its website or communicate directly with Scheme Participants additional audit exemptions. For example, for the 2020 compliance year audit exemptions were offered to Scheme Participants eligible for the *Energy Savings Scheme (Small Retailer) Order 2020*.

Note that energy savings statements requiring an audit will not be considered complete (i.e. in a form approved by the Scheme Regulator) unless an Audit Report is attached at the time of submission.

### 3.4.3 Audit requirements are listed in the Audit Guide – Scheme Participants

There are key requirements that apply to the audit of an energy savings statement. These requirements are described in detail in the *Audit Guide – Scheme Participants*. They include:

- Scheme Participants requiring audit must engage an approved auditor from the [Audit Panel](#).
- Scheme Participants can only engage the same auditor for 3 consecutive audits.
- Scheme Participants and auditors must submit an executed Deed Poll.
- Auditors must submit for approval the DSW Submission Form – AESS.
- Auditors must abide by the Audit Services Panel Agreement.
- Auditors must declare any conflict of interest

You should allow enough time for the appointment of the auditor, review of the DSW by IPART, completion of the audit and signing of the AESS. Accordingly, we recommend that the DSW is provided to us for review by the end of February.

## 3.5 Sign your statement according to Signatory requirements

We require Scheme Participants sign the energy savings statement either by;

1. Adhering to section 127 of the *Corporations Act 2001*. That is, by:
  - 2 directors of the company; or
  - a director and a company secretary of the company; or
  - for a proprietary company that has a sole director who is also the sole company secretary – that director.
2. Signing by a person or persons who have provided evidence that the Scheme Participant has lawfully authorised them to sign the energy savings statement on the Scheme Participant's behalf.

Examples of signatory authority may include:

- Minutes of a resolution of the company's board or a letter signed under section 127 of the *Corporations Act 2001* (Cth) giving the person standing authority to sign documents for the company.

- A copy of the Scheme Participant's constitution or partnership agreement, if it authorises the person to sign.

We will acquire company extracts during the compliance process to confirm each statement is signed by a director or company secretary. If your energy savings statement or signatory authority is signed by an officer not listed on the company extract, we may require you to provide evidence of the signatory's authority to sign on behalf of the organisation.

## 3.6 Lodge your energy savings statement by 30 April

### 3.6.1 Scheme Participants completing a Nil Return form

You must lodge the completed Nil Return with IPART by 30 April in the year following the compliance year by emailing the following documents to [ESSRegulator@ipart.nsw.gov.au](mailto:ESSRegulator@ipart.nsw.gov.au):

- An electronic copy of the signed Nil Return
- If adopting Option 2 of signatory requirements, evidence of the signatory's authority (refer to Section 3.5).

### 3.6.2 Scheme Participants completing an AESS

You must lodge the completed AESS along with the audit report (where required) with IPART by 30 April in the year following the compliance year by emailing the following documents to [ESSRegulator@ipart.nsw.gov.au](mailto:ESSRegulator@ipart.nsw.gov.au):

- An electronic copy of the signed AESS
- Excel version of the AESS
- Audit report (where required)
- Evidence of the signatory's authority.

### 3.6.3 The Scheme Regulator may amend an energy savings statement

Although the lodgement of the energy savings statement is taken to be a Scheme Participant's self-assessment of their target and any associated penalty, the Scheme Regulator may amend the assessment should it consider necessary. In this case, we may contact the Scheme Participant to clarify inputs to the AESS or discuss any anomalies that have been identified.

## 3.7 Pay any energy savings shortfall penalty

If you failed to meet your individual energy savings target and carried forward shortfall by surrendering enough ESCs at section 3.3 you are liable for an energy savings shortfall penalty.

We will notify you of any liability for an energy savings shortfall penalty in your Notice of Assessment and in an accompanying invoice. Payment details are provided in the invoice. You do not need to pay this penalty until you receive this invoice.

Payment of this penalty is due by 30 June of the year the relevant AESS is lodged.

## 4 Completing the AESS

This chapter provides a step-by-step guide to completing the AESS. The AESS template can be downloaded from the [Scheme Participant Requirements](#) webpage.

### Overview

The AESS template is a Microsoft Excel spreadsheet. The structure of the spreadsheet is illustrated in **Figure 4.1**. There are eight different worksheets in the spreadsheet, including an 'Instructions' worksheet that describes how the spreadsheet is intended to be used by Scheme Participants and emphasises that the AESS should be completed in close consultation with this guide.

**Figure 4.1 Structure of AESS template**



You should enter information in the five tabs labelled as 'Inputs'. Note that some cells of the 'Inputs – Calculations' worksheet are locked so that they can be viewed, but not changed.

The 'Conversion Factors' worksheet contains the energy savings scheme targets, energy conversion factors as well as factors for calculation of the shortfall penalty. These factors are determined by Schedule 5 and clauses 11, 16 and 17 of Schedule 4A to the Act and published by IPART. They cannot be changed within the spreadsheet.

The information entered into the 'Inputs – General information', 'Inputs – Market acquisitions', 'Inputs – Nonmarket acquisitions' and 'Inputs – Exempt loads' worksheets and the factors contained in the 'Conversion Factors' worksheet are automatically transferred to the 'Inputs – Calculations' worksheet, where additional inputs are required and the calculations are performed.

The 'Inputs' worksheets of the AESS template and the information that is required in each worksheet are explained in detail below.

### 4.1 'Inputs - General information' worksheet

The 'Inputs – general information' worksheet requires general information including legal names, ABN / ACN and contact details.

Cells shaded blue signify that an input is required. The requirements for each input of this worksheet are addressed separately below.

### 4.1.1 Scheme Participant

Enter the following Scheme Participant details:

- *Name of Scheme Participant*: State the full legal name (not just the business name) of the Scheme Participant.
- *ABN / ACN*: The Australian Business Number (**ABN**) or Australian Company Number (**ACN**) of the Scheme Participant (if the Scheme Participant has an ABN or ACN).

If your AESS covers a group of scheme participants, include the Name and ABN/ACN of each Scheme Participant reported in your AESS.

### 4.1.2 Contact details

The purpose of this section is to provide contact details of key individuals within the Scheme Participant's organization involved with the Scheme Participant's AESS. You are required to provide contact details for:

- *Chief Executive Officer (or equivalent)*: We will address the Notice of Assessment to this person. The Notice of Assessment is the Scheme Regulator's assessment of the Scheme Participant's compliance with the scheme for the compliance year.
- *Main compliance contact*: This is the main contact person for IPART regarding the ESS. We will correspond with this person regarding the AESS and any updates regarding the scheme.

## 4.2 'Inputs – Market acquisitions' worksheet

This worksheet is used to input the value of liable acquisitions from the Market Operator, AEMO (**Market acquisitions**).

- *Scheme Participant*: Input the name of the Scheme Participant.
- *Liable acquisitions (MWh)*: If relevant, you are required to provide details of liable acquisitions from AEMO, as defined by clause 10(1) of Schedule 4A to the Act. This is the quantity of electricity purchased from AEMO in the compliance year. AEMO will provide this figure to IPART during February each year and we will then forward this figure to the Scheme Participant. AEMO will use the best data it has available at that time on sales for the period 1 January to 31 December of the previous year. In some cases, AEMO may separately advise some Scheme Participants of a different figure to that provided by IPART, (e.g. due to late adjustments). In this case, Scheme Participants should enter the most up to date figure and include a record of the amendment notification they received from AEMO when they submit their AESS to IPART.

If your AESS covers a group of scheme participants, input the liable acquisitions for each separate Scheme Participant.



### 4.3 'Inputs – Nonmarket acquisitions' worksheet

This worksheet is used to calculate the total liable acquisitions from other than from the Market Operator, (**Non-market acquisitions**) (whether or not they are from a registered participant under the *National Electricity (NSW) Law*). The total of non-market acquisitions is highlighted at the top.

If relevant, you are required to provide details of non-market acquisitions (including small-scale photovoltaic generation) in the blue shaded cells, as defined in clause 10(1) of Schedule 4A to the Act:

- *Name of provider (seller) of liable acquisition (Generating System)*: Where the acquisitions are from a registered participant, you should list the name of the generating system as it is listed in AEMO's *Registration and Exemption list*. Where the acquisitions are not from a registered participant, you should use a name for the generating system that is easily identifiable. The names provided in this section will be used by independent auditors to verify the information provided by the Scheme Participant.
- *Liable acquisitions - purchased generation (MWh)*: The quantity of non-market electricity purchased from that Generating System by the Scheme Participant (this should be taken as the "Sent Out Generation" for the generating system, as referred to in the National Electricity Rules, i.e. the amount of electricity supplied to the transmission or distribution network at the generating system's connection to that point). This figure is not adjusted by any transmission or distribution losses.

#### Note: Small-scale photovoltaic generation

If relevant, you must include the total quantity of generation from small-scale photovoltaic generation systems, such as rooftop solar panels, as non-market acquisitions in this section of the AESS. It is not necessary to list each small-scale photovoltaic generation system separately.

Where small-scale photovoltaic generation systems are connected to the grid with gross metering arrangements, you must report the gross amount of electricity exported to the grid by those systems. Where small-scale photovoltaic generation systems are connected with net metering arrangements, report the net amount of electricity exported to the grid.

You must use comprehensive billing or other appropriate metering data and have data capture systems which can be examined by an auditor to provide reasonable assurance that the data reported is accurate.

### 4.4 'Inputs – Exempt loads' worksheet

This worksheet is used to calculate the total exempt electricity loads, if any.

If relevant, you are required to provide details of exempt electricity loads in the blue shaded cells, as defined in Division 5 of Schedule 4A to the Act, the Exemptions Rule and the relevant Ministerial Order:

- *Specified activity*: This is the activity for which the exemption is being sought, as specified in the Schedule to the Order.

- *Location*: This is the address at which the specified activity takes place as set out in the Schedule to the Order.
- *Reference*: This is the person (company) specified in the Schedule to the Order.<sup>c</sup>
- *Customer*: Add the name of the customer. If the customer changes during the year, and the exemption is still valid for the new customer add another entry for the new customer.
- *National metering identifier (NMI)*: This is the National Metering Identifier at the Location specified above. Note: where the Location is supplied electricity through more than one NMI, Scheme Participants must input the electricity supplied through each NMI as separate entries.
- *Electricity supplied (MWh)*: This is the amount of electricity supplied to a Reference at the Location, in connection with the specified activity.

The sheet will then automatically populate the following fields:

- *Exempt load (MWh)*: This is the amount of the electricity load used by a Reference at a Location that is exempt from the ESS, as stated in the Order.
- *5% Allowance*: This is the amount of the allowance for distribution or transmission losses also deducted from the total value of the liable acquisitions as stated in the Exemptions Rule.

## 4.5 'Inputs – Calculations' worksheet

The 'Inputs – Calculations' worksheet is used to calculate total liable acquisitions, the individual energy savings target, the energy savings shortfall and the energy savings shortfall penalty (if applicable). This worksheet is divided into four sections and you are required to provide key inputs for the calculations in some of these sections in the blue shaded cells. The four sections of this worksheet are explained in detail below:

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<sup>c</sup> Ministerial Order published in the Government Gazette no.173 of 13 December 2019 should be referred to for 2020 compliance purposes, <https://www.ess.nsw.gov.au/Home/Document-Search/Legislation/Ministerial-Order/Ministerial-Order-2020-compliance-Year>.

### 4.5.1 Total liable acquisitions

In this section, the total amount of liable acquisitions is calculated as shown in Box 4. Key inputs for this calculation (i.e. the market acquisitions, non-market acquisitions and exempt electricity loads) are automatically populated from the information provided previously in the corresponding worksheets.

#### Box 4 Calculation of total liable acquisitions

$$\begin{array}{r} \text{Total liable} \\ \text{acquisitions (MWh)} \end{array} = \begin{array}{r} \text{Market acquisitions} \\ \text{(MWh)} \end{array} + \begin{array}{r} \text{Non-market} \\ \text{acquisitions (MWh)} \end{array} - \begin{array}{r} \text{Exempt electricity} \\ \text{load (MWh)} \end{array}$$

### 4.5.2 Individual energy savings target

In this section, the individual energy savings target is calculated as shown in Box 2. Key figures for this calculation are displayed and no additional inputs are required. The individual energy savings target is calculated as per clause 9 of Schedule 4A to the Act.

### 4.5.3 Energy savings shortfall and penalty calculations

The last two sections of this worksheet calculate the Scheme Participant's energy savings shortfall and energy savings shortfall penalty in accordance with the Act. The energy savings shortfall is defined under clause 14 of Schedule 4A to the Act as:

*“The amount of the energy savings shortfall is the number of notional megawatt hours by which the individual energy savings target of the scheme participant for the year exceeds the energy savings attributable to the scheme participant for that year.”*

A Scheme Participant has met its individual energy savings target for a compliance year if the energy savings attributable (i.e. ESCs offered for surrender) are equivalent to (or exceed) their individual energy savings target and shortfall carried forward from the previous year.

If a Scheme Participant's attributable energy savings are less than their individual energy savings target and shortfall carried forward from the previous year, then it will have an energy savings shortfall and may be subject to a penalty (under clauses 15 and 18 of Schedule 4A to the Act). The worksheet will calculate the relevant penalty in the case that there is a shortfall.

You are required to provide a number of inputs in the blue shaded cells.

## Energy savings shortfalls carried forward

Scheme Participants can carry forward up to 10% of their individual energy savings target to the next year, rather than meeting it in the current year. Scheme Participants must then remedy any carried-forward amount in the following year. Refer to clauses 19 and 20 of Schedule 4A to the Act for further details on carrying forward.

You are required to complete:

- *Shortfall carried forward from previous year (notional MWh):* The energy savings shortfall (if any) that the Scheme Participant nominated to be carried forward from the previous compliance year. The shortfall carried forward must be stated in notional MWh and should be in whole numbers without any decimal places. The shortfall carried forward from the previous year can be found on the previous year's Notice of Assessment.
- *Shortfall nominated to be carried forward to next year (notional MWh):* The energy savings shortfall (if any) that the Scheme Participant wishes to carry forward to the next compliance year. The shortfall carried forward must be stated in notional MWh and should be in whole numbers without any decimal places. It must not be more than the allowable carry forward amount.

A box on the right-hand side of the page displays, for information only, the maximum shortfall allowed to be carried forward to next year. This figure corresponds to 10% of the individual energy savings target for the relevant compliance year and does not include any shortfall carried forward from a previous year, which must be remedied.<sup>d</sup> The information in the box is included to help Scheme Participants using the worksheet as a planning tool, to estimate the shortfall they may carry forward to the next year.

When the shortfall nominated to be carried forward to the next year exceeds the maximum 10% allowance, a warning message will be displayed in the 'warnings' window on the right-hand side of the spreadsheet.

When the shortfall nominated to be carried forward to the next year is less than the maximum 10% allowance, a message will be displayed next to the 'Energy savings shortfall penalty'. The message notes that Scheme Participants may reduce any energy savings shortfall penalty they may owe by increasing the shortfall nominated to be carried forward to next year (to the maximum).

## Energy saving certificates offered for surrender (energy savings attributable)

Clause 13 of Schedule 4A to the Act defines energy savings attributable as:

*“For the purposes of this part, the energy savings attributable to a scheme participant for a year is the total value of all energy savings certificates that the scheme participant elects to surrender, in accordance with this Part, for the purpose of meeting its individual energy savings target for that year.”*

<sup>d</sup> Clause 19(5) of Schedule 4A to the Act.

You are required to provide the total number of ESCs registered to the Scheme Participant that have been offered for surrender to meet their Individual Energy Savings Target for the year and any shortfall carried forward from the previous year, not including any surrendered due to an order under clause 45 of Schedule 4A to the Act. Scheme Participants offer ESCs for surrender on TESSA.

A box on the right-hand side of the page displays, for information only, the total number of ESCs required to meet an individual energy savings target. This figure is made up of the ESCs required to meet the current compliance year's individual energy savings target plus ESCs required to meet any shortfall carried forward from a previous year, less any shortfall that is nominated to be carried forward to the next year. The information in the box is included to help Scheme Participants using the worksheet as a planning tool, to estimate the number of ESCs to offer for surrender.

When more than the minimum required number of ESCs has been offered for surrender, a warning message will be displayed in the 'warnings' window on the right-hand side of the spreadsheet.

When less than the required number of ESCs has been offered for surrender, a message will be displayed next to the 'Energy savings shortfall penalty', advising Scheme Participants that the penalty can be reduced by increasing the number of ESCs offered for surrender.

## 4.6 'Declaration' worksheet

This worksheet contains the declaration and signature blocks. The Scheme Participant must declare that:

- where estimates or indicative values have been provided by the Scheme Participant, that these are based on the best available data and methods
- all information provided by the Scheme Participant is correct and not misleading or deceptive by inclusion or omission
- the Scheme Participant is aware that there are penalties for knowingly providing false, misleading or deceptive information in the AESS.

The declaration must be signed in accordance with the Signatory Requirements outlined in **section 3.5**.