



Independent Pricing and Regulatory Tribunal

Determining initial audit regimes for Accredited Certificate Providers

Energy Savings Scheme — Consultation Paper
April 2015

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The Tribunal members for this review are:

Dr Peter J Boxall AO, Chairman

Ms Catherine Jones

Mr Ed Willett

Inquiries regarding this document should be directed to a staff member:

Alexandra Lobb (02) 9113 7757

Rob McKenna (02) 9113 7782

Independent Pricing and Regulatory Tribunal of New South Wales

PO Box K35, Haymarket Post Shop NSW 1240

Level 15, 2-24 Rawson Place, Sydney NSW 2000

T (02) 9290 8400 F (02) 9290 2061

www.ipart.nsw.gov.au

Invitation for submissions

IPART invites written comment on this document and encourages all interested parties to provide submissions addressing the matters discussed.

Submissions are due by 11 May 2015.

We would prefer to receive them electronically please email your response to ess_compliance@ipart.nsw.gov.au. All feedback received will be considered as confidential.

You can also send comments by mail to:

ESS Development Team
Independent Pricing and Regulatory Tribunal
PO Box K35
Haymarket Post Shop NSW 1240

Late submissions may be accepted at the discretion of the Tribunal.

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1 Introduction

Under the Energy Savings Scheme (ESS), companies that become Accredited Certificate Providers (ACPs) can create Energy Savings Certificates (ESCs) by carrying out Recognised Energy Saving Activities (RESAs).¹

The Independent Pricing and Regulatory Tribunal of NSW (IPART) is both the Scheme Administrator and Scheme Regulator of the ESS.²

As part of this role, we aim to:

- ▼ protect the integrity of the ESS by monitoring and managing compliance with the requirements of the ESS, and
- ▼ ensure that every ESC genuinely represents energy saved because the cost of the ESCs is ultimately borne by consumers through the price they pay for electricity.

Our Compliance and Performance Monitoring Strategy (CPMS)³ has been developed to inform stakeholders of how we will monitor and manage compliance. We update this from time to time.

Part of monitoring and managing compliance includes determining the initial audit regime an ACP will be subject to for each of its RESAs. Our guide to setting initial audit regimes is outlined in the CPMS.

We are currently reviewing certain aspects of this approach, to improve its clarity and simplicity for ACPs and potential ACPs. In particular, we are looking to refine the way in which we determine:

- ▼ the audit type assigned to a particular RESA at the time of accreditation, and
- ▼ any limits to apply within that audit type.

This consultation paper discusses our proposed changes to our approach and seeks feedback from all interested parties. To help you prepare your submissions, the following sections outline:

- ▼ our current approach for determining initial audit regimes, and
- ▼ our proposed guide for determining initial audit regimes:
 - determining the audit type, and
 - setting the audit limits.

¹ A Recognised Energy Saving Activity (RESA) is an activity that reduces electricity consumption for which ESCs may be created.

² Under sections 153(2) and 151(2) of the *Electricity Supply Act 1995* (the Act), respectively.

³ The CPMS was last published in February 2015, and can be downloaded at: www.ess.nsw.gov.au/Audits_and_Compliance/Audit_and_compliance_guides.

You are welcome to comment on any matter you consider relevant to this review. However, we particularly seek comment on the following issues:

- 1 Is the proposed approach for assigning the initial audit type for an ACP clearer and simpler than the approach outline in the current CPMS? Does it provide more certainty for businesses about the audit type an ACP is likely to be assigned? 8
- 2 Are the four factors we propose to consider in setting the initial audit limit for ACPs with a previous compliance history under the ESS clear and relevant? 12
- 3 Are the criteria we propose to use to rate each of these factors clear and appropriate? 12
- 4 Is our proposed approach for scoring and weighting the ratings for each factor to derive an overall score clear and appropriate? 12
- 5 Is the proposed relationship between the overall score and the likely initial audit limits clear and logical? 12
- 6 Is our proposed list of evidence and scoring system for ACPs without a previous compliance history under the ESS clear and relevant? 13
- 7 Do you think the additional evidence will assist the Scheme Administrator in making decisions to protect the integrity of the ESS? Can you suggest any additional evidence that an ACP without a compliance history under the ESS could provide to make a case for moderate initial audit limits? 13
- 8 Is there a more appropriate way to score the evidence to improve consistency and transparency? 13

2 Our current approach to setting initial audit regimes

When a new applicant or an existing ACP applies for accreditation, we assess whether the accreditation should be granted, and under what conditions. If we decide to grant the accreditation, we also decide what initial audit regime will be applied to monitor compliance with the requirements of the ESS.⁴

To determine the initial audit regime, we currently consider the characteristics of the ACP and the RESA and assess the risk of non-compliance, particularly invalid ESC creation and other application specific factors. Based on this assessment, we decide on the appropriate audit type and set any audit limits to apply.

⁴ The initial audit regime is set out in the Accreditation Notice.

Typically, as outlined in the current CPMS, we assign one of four main audit types as part of an initial audit regime:

1. **Pre-registration audit**, which is required before the ACP can create and register ESCs. This audit type provides the greatest risk control because it ensures the validity of all ESCs. However, it can restrict the ACP's cashflow.
2. **Volumetric audit**, which is required when the ACP has created a specified number of ESCs. This means that more frequent audits are triggered when a RESA creates high volumes of ESCs.
3. **Periodic audit**, which is required before a specified period of time has elapsed after accreditation or previous audit.
4. **Spot audit**, which is required whenever we (as Scheme Administrator) consider it necessary – for example, if we identify changes in the ACP or RESA risk profile.

If we assign a volumetric or periodic audit, we also set the audit limits to apply for:

- ▼ a volumetric audit, this is usually the number of ESCs that can be created before an audit is required.
- ▼ a periodic audit, the limits usually include the number of ESCs that can be created per year, and the period after which the initial audit is required (usually one or two years after accreditation).
- ▼ both these audit types, the audit limit may be set so that effectively a pre-registration audit is required (discussed further in Section 2 below).

Typically, we gradually revise the initial audit regime over the life of the accreditation, depending on the ACP's compliance performance. We may reconsider the audit regime and amend the accreditation conditions in response to a poor audit outcome, or in response to a request from an ACP with a good compliance history.

We can also require an ACP to be audited at any time, regardless of the audit regime we have set.

2.1 Current approach for assigning audit type

Currently, we assign the audit type after considering the characteristics of the ACP and the specific RESA that influence the risk of non-compliance. For example, these characteristics include:

- ▼ the method that will be used to calculate energy savings (eg, the deemed energy saving method or the metered baseline method)⁵
- ▼ the RESA delivery model (eg, the number of sites at which the activity will be undertaken and the complexity of the activity)
- ▼ the proposed ESC creation (the frequency and volume of creation), and
- ▼ other application specific factors.

In most cases, we assign either a volumetric or periodic audit as part of the initial audit regime. However, in specific circumstances where we consider the risk of non-compliance is particularly high or low, we may assign a pre-registration or spot audit respectively.

Under the current CPMS:

- ▼ **Volumetric audits** are typically required:
 - where the RESA delivery model means it takes place at multiple sites, or involves multiple original energy savers, thereby increasing the complexity of the activity and the risk of error
 - for RESAs with frequent, high volume ESC creation, and
 - where periodic auditing is considered too infrequent to capture potential invalid ESC creation in a timely manner.
- ▼ **Periodic audits** are typically required:
 - where RESAs take place at a single site, or where a simple delivery model is used for multi-site RESAs
 - for RESAs with a regular pattern or low frequency of ESC creation; this is usually annual or biennial, and
 - where measurement and verification techniques are used to calculate ESCs.
- ▼ **Spot audits** are typically required:
 - where the ACP is the original energy saver
 - for RESAs where energy savings are small, and
 - where all energy savings from the RESA occur at a single site, or a defined list of sites.
- ▼ **Pre-registration audits** are typically required:
 - where a RESA presents a high risk of invalid ESC creation because of the specifics of the RESA or the nature of the ACP.

Table 2.1 below shows the audit types typically assigned to ACPs that use different calculation methods and delivery models under the current CPMS.

⁵ Under the ESS, energy savings are calculated using three methods, which also have a number of 'sub-methods'. See Clauses 7, 7A, 8 and 9 of the Energy Savings Scheme Rule for more information.

Table 2.1 Typical audit type assigned by energy savings calculation method and RESA delivery model

Calculation method and delivery model	Audit type ^a		
	Volumetric	Periodic	Spot
Deemed Energy Savings Method			
Single site or defined sites		✓	✓
Multiple sites	✓		
Project Impact Assessment Method			
Single site or defined sites		✓	✓
Multiple sites	✓	✓	
Metered Baseline Method			
Single site or defined Sites		✓	✓
Multiple sites	✓	✓	

^a A pre-registration audit may be assigned to any RESAs where there is a high risk of invalid ESC creation.

2.2 Current approach for setting audit limits

Currently, we typically set audit limits for volumetric and periodic audits using the following steps:

1. Consider a range of risk factors, and give each of these factors a risk rating of high, medium or low. These factors include the quality of the ACP's application for accreditation; the ACP's operation of systems; whether the ACP already has RESAs and the number of these RESAs; and the ACP's compliance history (if any) either with the ESS or a similar scheme in another state.⁶
2. Determine the overall risk score of satisfactory, moderate or high by applying standard weightings⁷ to the risk ratings of the above.
3. Use this overall risk score to determine the most likely audit limits.
4. Consider other application specific factors.

We typically follow the same steps for an existing ACP that already has one or more RESAs and a new ACP that has no existing RESAs.

Table 2.2 provides some examples of the types of initial audit limits an ACP could expect based on this risk assessment under the current CPMS. Note that if the overall risk score is high, the audit limits typically mean that in effect, a pre-registration audit is required.

⁶ For example, the Victorian Energy Efficiency Target (VEET) Scheme.

⁷ The detail of these ratings and weightings is available in the CPMS which can be downloaded from our website:
www.ess.nsw.gov.au/Audits_and_Compliance/Audit_and_compliance_guides

Table 2.2 Examples of initial audit limits based on current risk scores

Risk rating	Volumetric audit	Periodic audit
High	First audit before any ESCs are registered ^a	First audit before any ESCs are registered ^a
Moderate	First audit after a maximum of 5,000 ESCs are registered	First audit one year after accreditation
Satisfactory	First audit after a maximum of 10,000 ESCs are registered	First audit: <ul style="list-style-type: none"> ▼ one year after accreditation if ≥ 20,000 ESCs/year proposed, or ▼ two years after accreditation if < 20,000 ESCs/year proposed

^a Effectively, this audit limit means that a pre-registration audit is required.

3 Proposed approach for assigning the initial audit type

We are proposing to simplify our approach for assigning the audit type as part of the initial audit regime for a RESA. Although each application is considered on a case-by-case basis, we propose to use the energy saving calculation method as a significant consideration when setting the initial audit limit. For some new methods, however, we will assign the audit type on a case-by-case basis.

We consider that our proposed approach will give businesses applying for accreditation more certainty in predicting the likely initial audit type and thus their likely cash flow and required business processes.

Our experience with monitoring and managing compliance with the ESS has shown the appropriate audit type for an initial audit regime depends on the method that will be used for calculating the energy savings. This method is closely linked to the nature of the energy saving activity being undertaken, which in turn is linked to the frequency, volume and pattern of ESC creation and thus to the inherent risk of non-compliance.

In general, we can divide the calculation methods into three groups:

- ▼ **Group 1 - Deemed energy savings methods.** ACPs that use these methods typically involve a high volume and/or high frequency of ESC creation upfront for a period of up to 10 years in the future. This means ACPs can create large numbers of ESCs at the start of the period over which the energy savings are expected to be realised, when there is relatively little evidence that the savings are in fact being realised. For this reason, either a pre-registration or volumetric audit is appropriate for their initial audit regime.

- ▼ **Group 2 – Most metered baseline methods.** Typically, ACPs that use these methods involve a lower frequency of ESC creation, and the ESCs are often created after the energy savings have been measured. For these reasons, a periodic or spot audit is appropriate for the initial audit regime.
- ▼ **Group 3 – Aggregated metered baseline and project impact assessment with measurement and verification methods.** Currently, no ACP that uses either the aggregated metered baseline (AMB) method or the project impact assessment with measurement and verification (PIAM&V) method – has been accredited. Therefore, there is uncertainty around the frequency, volume and pattern of ESC creation for ACPs that use these calculation methods. For this reason, we propose to assign the initial audit type for such ACPs in this third group, on a case-by-case basis, taking account of the specific circumstances of the ACP and the RESA.

Table 3.1 shows the specific sub-methods included in each of these groups.

Table 3.1 Calculation methods by group

Group 1 – Deemed energy savings methods	Group 2 – Most metered baseline methods (MBM)	Group 3 – Aggregated metered baseline and project impact assessment with measurement & verification
Commercial Lighting Energy Savings Formula	MBM - Baseline per unit of output	MBM - Aggregated Metered Baseline
Installation of High Efficiency Appliances for Businesses	MBM - Baseline unaffected by output	Project Impact Assessment with Measurement & Verification
Removal of Old Appliances	MBM - Normalised baseline	
Sale of New Appliances	MBM - NABERS baseline	
Power Factor Correction Energy Savings Formula		
High Efficiency Motor Energy Savings Formula		
Home Energy Efficiency Retrofits		

As a guide, Table 3.2 summarises the audit types we are most likely to assign to an ACP as part of the initial audit regime under our proposed approach. Please note that under this approach we would retain the discretion to assign any audit type that we consider appropriate. However, these cases are likely to be exceptions, rather than a trend.

Table 3.2 A Guide to likely audit types to be assigned to ACPs by calculation method

Calculation method	Audit type		
	Periodic or spot	Volumetric or pre-registration	Any of the four types
Group 1: Deemed energy savings methods ^a		✓	
Group 2: Most metered baseline ^b	✓		
Group 3: Aggregated metered baseline and PIAM&V ^c			✓

^a Clause 9 in ESS Rule.

^b Clause 8 in ESS Rule.

^c Clauses 8.9 and 7A in ESS Rule.

We seek comment on the following:

- 1 Is the proposed approach for assigning the initial audit type for an ACP clearer and simpler than the approach outline in the current CPMS? Does it provide more certainty for businesses about the audit type an ACP is likely to be assigned?

4 Proposed approach for setting initial audit limits

We are also proposing to simplify our approach for setting the initial audit limits for ACPs. While we still intend to look at each application on a case-by-case basis, our proposed approach depends on whether the business applying for accreditation is:

- ▼ an ACP **with** a previous compliance history under the ESS, or
- ▼ an ACP **without** a previous compliance history under the ESS.

Based on our experience in monitoring and managing compliance with the ESS we consider that where an ACP has a compliance history under ESS this is the most relevant basis on which to assess its future compliance behaviour for a new accreditation.

4.1 Proposed approach for ACPs with a previous compliance history

Many of the applications for accreditation we receive are from ACPs that are already accredited for one or more existing RESAs. Therefore, many of these ACPs already have a compliance history under the ESS.

Where this is the case, we propose to set the initial audit limits for the new accreditation by:

- ▼ assessing this compliance history and three other factors, and applying a confidence rating to each of these factors as either high, medium or low
- ▼ assigning points and weightings to these ratings to give an overall score
- ▼ determining what this overall score indicates the initial audit limits typically would be, and then
- ▼ considering other factors specific to the application for accreditation.

4.1.1 Factors we will consider and criteria for allocating confidence ratings for ACPs with previous compliance history

We propose to consider and rate four factors that relate to the risk of non-compliance associated with the RESA:

- ▼ the ACP’s compliance history
- ▼ the number of sites at which the RESA will be undertaken
- ▼ the nature of the energy saver, and
- ▼ the calculation method to be used.

Table 4.1 provides a more information on each of these factors, and Table 4.2 sets out the criteria we propose to use to rate each factor.

Table 4.1 Proposed factors for ACPs with previous compliance history

Factor	Description
Compliance history	We propose to consider the ACP’s entire track record in the ESS, including its performance in audits and reporting, and other factors such as complaints received about it and its responsiveness to ongoing information requests.
Number of sites	In general, when a RESA is undertaken at a single site, audit findings will be more accurate because no sampling is required. This reduces the inherent risk level of the RESA. The risk of non-compliance increases if the RESA is implemented across multiple sites and sampling is required.
Nature of the energy saver	When the ACP is the original energy saver there is more incentive for it to implement the RESA in a way that results in genuine energy savings than when it is the nominated energy saver, as the original energy saver will experience reduced energy bills.
Calculation method	We have divided the calculation methods into three groups that reflect the nature of the different calculation methods (see Table 3.1).

Table 4.2 Proposed criteria for allocating a high, medium or low confidence rating for each factor for ACPs with previous compliance history

Factor	Confidence rating		
	High	Medium	Low
Compliance history	A minimum of two 'satisfactory' ESS audits ^a	A minimum of one 'satisfactory' ESS audit ^a	An 'unsatisfactory' ESS audit or a material error in the last ESS audit ^a
Number of sites	Single site	Defined number of identified sites	Multiple sites undefined and not identified
Nature of energy saver	Original energy saver	N/A	Nominated energy saver
Calculation method See Table 3.1 for group description.	Group 2 Group 3 – in some cases	Group 3 – in some cases	Group 1 Group 3 – in some cases

^a Where the ACP has multiple RESAs accredited under the ESS, the 'satisfactory' audit findings must be for the latest audit(s) conducted for each accreditation.

4.1.2 Points and weightings to determine overall score

Once we have allocated a confidence rating for each of the four factors, we propose to score and weight these ratings as shown below in Table 4.3 to give us an overall score for the proposed accreditation. The confidence rating for the ACP's previous compliance under the ESS has the highest weighting – and makes up half of the overall score – because our experience is that this history is the clearest indicator of its future compliance behaviour.

Table 4.3 Proposed points and weightings for determining overall score

Factor	Compliance history	Number of sites	Nature of energy saver	Calculation method
High rating	3	3	3	3
Medium rating	2	2	N/A	2
Low rating	1	1	1	1
Weighting	3	1	1	1
Maximum points	9	3	3	3
Total points				18

4.1.3 Relationship between overall score and initial audit limits

Once we have determined the overall score (as points out of maximum of 18), we propose to categorise this score as either 'satisfactory' (high score), 'moderate' (medium score) or 'low' (low score) as shown in Table 4.4.

Table 4.4 Proposed categorisation of overall scores

Overall score	Points (/18)
Low (low score)	≤ 6
Moderate (medium score)	$11 \leq x \leq 7$
Satisfactory (high score)	≥ 12

We would then set the initial audit limits taking into consideration this overall score category, as shown in Table 4.5, as well as any other considerations specific to the application. In general, the higher the overall score, the more lenient the initial audit limits are likely to be.

Table 4.5 Likely initial audit limits for each overall score category

Overall score category	Volumetric audit	Periodic audit
Low	First audit before any ESCs are registered ^a	First audit before any ESCs are registered ^a
Moderate	First audit after a maximum of 5,000 ESCs are registered	First audit one year after accreditation
Satisfactory	First audit after a maximum of 10,000 ESCs are registered	First audit: <ul style="list-style-type: none">▼ one year after accreditation if ≥ 20,000 ESCs/year proposed, or▼ two years after accreditation if < 20,000 ESCs/year proposed

^a Effectively, this audit limit means that a pre-registration audit is required.

We seek comments on the following:

- 2 Are the four factors we propose to consider in setting the initial audit limit for ACPs with a previous compliance history under the ESS clear and relevant?
- 3 Are the criteria we propose to use to rate each of these factors clear and appropriate?
- 4 Is our proposed approach for scoring and weighting the ratings for each factor to derive an overall score clear and appropriate?
- 5 Is the proposed relationship between the overall score and the likely initial audit limits clear and logical?

4.2 Proposed approach for ACPs without a previous compliance history under the ESS

For ACPs without a previous compliance history under the ESS, we propose to use a default position as a guide to set the audit limits in line with the 'low' overall score category, as shown in Table 4.5 above. In effect, this would mean that the most likely initial audit regime for ACPs without a previous compliance history would be a pre-registration audit regime.

However, ACPs would be able make a case for more lenient initial audit limits by providing additional evidence in their application. We would then assess and score this evidence, as shown in Table 4.6, below. If the applicant achieved a score of five points, they would most likely have the initial audit limits set in line with the 'moderate' overall score category shown in Table 4.5, above.

To make our approach as transparent as possible, we would provide a list of the evidence an ACP without a previous compliance history with the ESS can provide to make its case for moderate initial audit limits, and the points we

propose to allocate to this evidence. Our proposed evidence and scoring system is shown in Table 4.6

Table 4.6 Proposed evidence and scoring system

Evidence	Maximum points	Breakdown of points (where applicable)
'Satisfactory' compliance history under another similar scheme eg, VEET, RET	3 points	<ul style="list-style-type: none"> ▼ Two or more 'satisfactory' audits for the last two projects under another scheme less than two years old = 3 points. ▼ One 'satisfactory' audit for the most recent project under another scheme less than two years old = 1 point.
'Satisfactory' external audit on business systems, quality assurance, record keeping or other business processes by a professional auditor where the audit is less than two years old.	3 points	<ul style="list-style-type: none"> ▼ If 'satisfactory' audit is less than 12 months old and assessed to be sufficient = 3 points. ▼ If 'satisfactory' audit is less than two years old and assessed to be sufficient = 1 points.
All business systems aligned with a Quality Management System with a 'satisfactory' audit by a professional auditor where the audit is less than two years old	5 points	<ul style="list-style-type: none"> ▼ If 'satisfactory' audit is less than 12 months old and assessed to be sufficient = 5 points. ▼ If 'satisfactory' audit is less than 2 years old and assessed to be sufficient = 3 points.
Accreditation (less than 12 months old) and/or 'satisfactory' audit (less than two years old) of an accredited Quality Management System eg, ISO 9001.	5 points	N/A

We seek comment on the following:

- 6 Is our proposed list of evidence and scoring system for ACPs without a previous compliance history under the ESS clear and relevant?
- 7 Do you think the additional evidence will assist the Scheme Administrator in making decisions to protect the integrity of the ESS? Can you suggest any additional evidence that an ACP without a compliance history under the ESS could provide to make a case for moderate initial audit limits?
- 8 Is there a more appropriate way to score the evidence to improve consistency and transparency?

A Worked examples of the proposed approach

A.1 Initial audit assessment for ACPs with a previous compliance history under the ESS

The following examples illustrate the process for assigning initial audit regimes for ACPs with compliance history under ESS.

A.1.1 ACP X, RESA #3

ACP X has applied to be accredited for a new RESA using the Commercial Lighting Energy Savings Formula method over multiple undefined and unidentified sites. It is the nominated energy saver.

ACP X has two existing accreditations for RESAs under the ESS. Its compliance history is as follows:

- ▼ RESA #1 had minor non-compliance in the last audit.
- ▼ RESA #2 has an audit error rate of 6%.⁸

Table A.1 presents these results for ACP X in the shaded cells.

Table A.1 Worked example ACP X

	Compliance history	Number of sites	Nature of energy saver	Calculation method
High rating	3	3	3	3
Medium rating	2	2	N/A	2
Low rating	1	1	1	1
Weighting	3	1	1	1
ACP X's score	3	1	1	1
Total				6

ACP X's RESA #3 would likely be recommended for a pre-registration initial audit regime based on its previous compliance history under ESS as per Tables 4.3 and 4.4 above.⁹

⁸ An error of 5% or greater is considered material.

⁹ IPART will retain its discretion in deciding any initial audit regime.

A.1.2 ACP Y, RESA #8

ACP Y has applied to be accredited for a new RESA using the Metered Baseline Method - Normalised Baseline over a single, identified site. It is the nominated energy saver.

ACP Y has seven existing accreditations under the ESS. It has a satisfactory compliance record with some minor non-compliance over all seven accreditations.

Table A.2 presents these results for ACP Y in the shaded cells.

Table A.2 Worked example ACP Y

	Compliance history	Number of sites	Nature of energy saver	Calculation method
High rating	3	3	3	3
Medium rating	2	2	N/A	2
Low rating	1	1	1	1
Weighting	3	1	1	1
ACP Y's score	9	3	1	3
Total				16

ACP Y's RESA #8 would likely be recommended for a satisfactory initial audit regime based on its previous compliance history under ESS as per Tables 4.3 and 4.4 above.¹⁰

A.1.3 ACP Z, RESA #2

ACP Z has applied to be accredited for a new RESA using the Aggregated Metered Baseline Method over multiple but identified sites. It is the nominated energy saver.

ACP Z has one existing accreditation for a RESA under the ESS. It has a satisfactory compliance record with some minor non-compliance for this RESA.

Table A.3 presents these results for ACP Z in the shaded cells.

¹⁰ IPART will retain its discretion in deciding any initial audit regime.

Table A.3 Worked example ACP Z

	Compliance history	Number of sites	Nature of energy saver	Calculation method
High rating	3	3	3	3
Medium rating	2	2	N/A	2
Low rating	1	1	1	1
Weighting	3	1	1	1
ACP Z's score	6	2	1	1
Total				10

ACP Z's RESA #2 would likely be recommended for a moderate initial audit regime based on its previous compliance history under ESS as per Tables 4.3 and 4.4 above.¹¹

A.2 Initial audit assessment for ACPs without a compliance history under the ESS

All ACPs without a compliance history under the ESS will have a default initial audit regime of a pre-registration audit.

The exception to this would be if we had a specific reason to believe the risk of a new ACP's non-compliance was lower than average (eg, when the ACP has positive compliance histories with other schemes).

Using Table 4.6 the following examples illustrate the process for new ACPs who supply additional information in support of their application that indicates an alternative audit regime could apply:

- ▼ ACP Q applies to be accredited and has a previous 'satisfactory' compliance history for two projects under VEET in the last two years (3 points), but is not able to provide evidence of a 'satisfactory' audit of its business systems by a professional auditor. ACP Q's accreditation will likely still be recommended for an initial pre-registration audit regime.¹²
- ▼ ACP R applies to be accredited and has no compliance history under another scheme but has an accredited Quality Management System in place with a 'satisfactory' audit conducted less than two years ago (3 points). ACP R's RESA will likely be recommended for an initial moderate audit regime.¹³

¹¹ IPART will retain its discretion in deciding any initial audit regime.

¹² Ibid.

¹³ Ibid.