



IPART Independent
Pricing and Regulatory
Tribunal | NSW

ESS Stakeholder Forum

28 October 2021



Introduction

Liz Livingstone, IPART CEO

Agenda

01 Introduction

02 Welcome

03 Peak Demand Reduction Scheme

04 Break

05 How will IPART implement PDRS?

06 Panel discussion

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08 Closing remarks



Welcome

Sandra Gamble, ESS Committee Chair

Welcome

Sandra Gamble, Chair ESS Committee

- Acknowledgement of country
- Introduction of ESS Committee
- Reflections and observations



Peak Demand Reduction Scheme

Keith Tarlo, Principal Policy Officer

Department of Planning, Industry & Environment



NSW Peak Demand Reduction Scheme

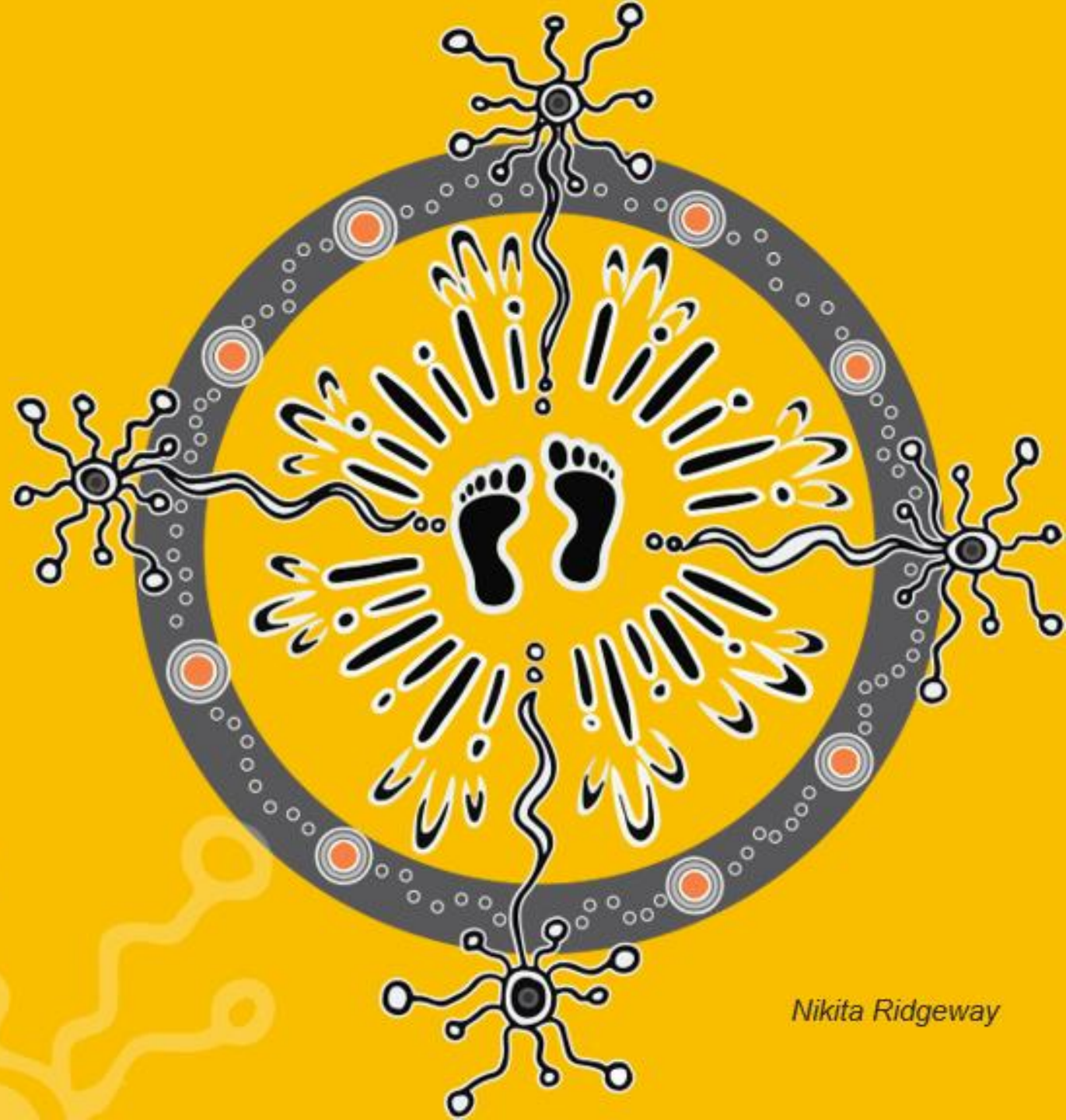
Keith Tarlo

Principal Policy Officer, Climate Change and Air Policy

Acknowledgement of Country

We acknowledge that today we meet on many Aboriginal lands.

We acknowledge the traditional custodians of the lands and we show our respect for elders past, present and emerging through thoughtful and collaborative approaches to our work.



Planning,
Industry &
Environment

Nikita Ridgeway

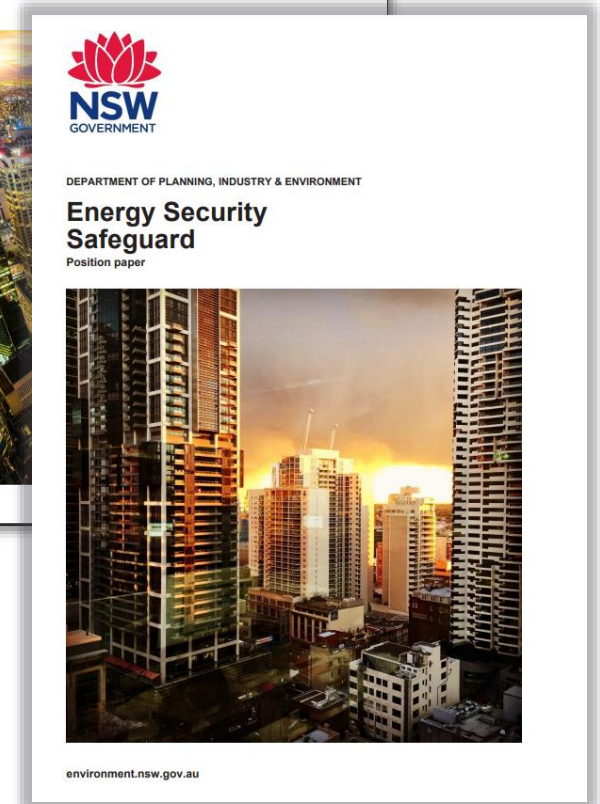
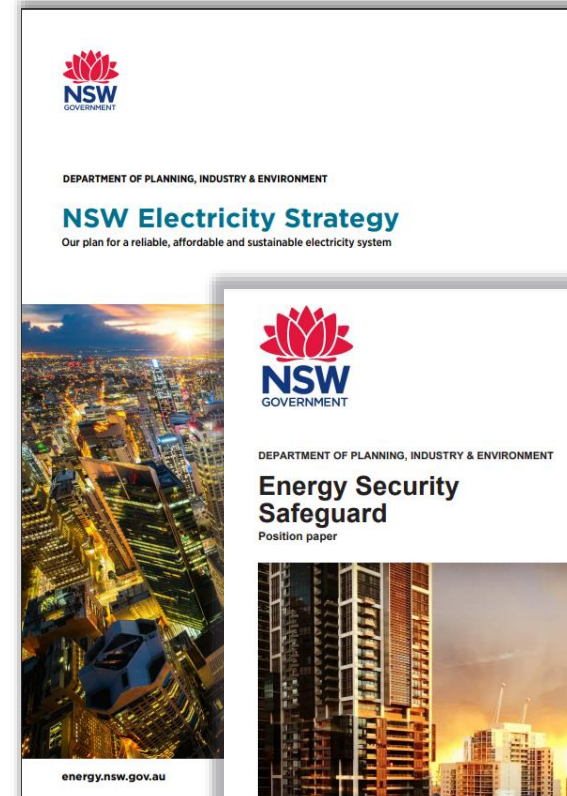
Agenda

- Energy Security Safeguard
- Peak Demand Reduction Scheme
- Getting scheme started
- Next steps



Energy Security Safeguard

- The Safeguard is two certificate-based schemes:
 1. Existing Energy Savings Scheme (ESS)
 2. New Peak Demand Reduction Scheme (PDRS)
- ESS has been expanded:
 - Targets increased to 13% by 2030
 - Wider range of activities
- Government investment:
 - \$25m Safeguard acceleration program
 - \$22m business decarbonisation support program



Energy Legislation Amendment Bill 2021

- Expands **ESS fuel switching** to new fuels
- **Streamlines** administration of the ESS and PDRS
- Broadens **compliance powers** for IPART to prevent, detect and respond to non-compliance



What is the Peak Demand Reduction Scheme?

- Objective: to reduce peak demand
- How? By encouraging **availability** of peak demand reduction capacity
- Capacity may be dispatched in the energy market via another mechanism
- Starts 1 November 2022

Reliability

Sustainability

Affordability

Peak Demand
Reduction
Scheme

Compliance period and reviews

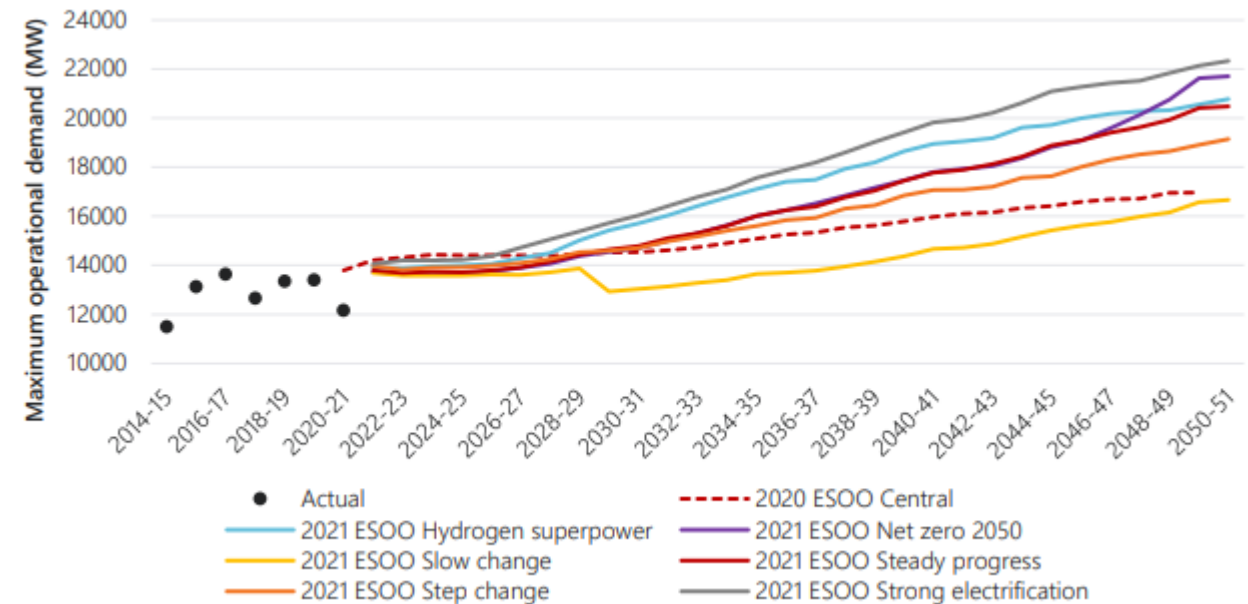
Compliance period

- 1 November to 31 March
- Covers whole summer period

Scheme review

- Every 5 years
- Two-sided market reforms, minimum demand

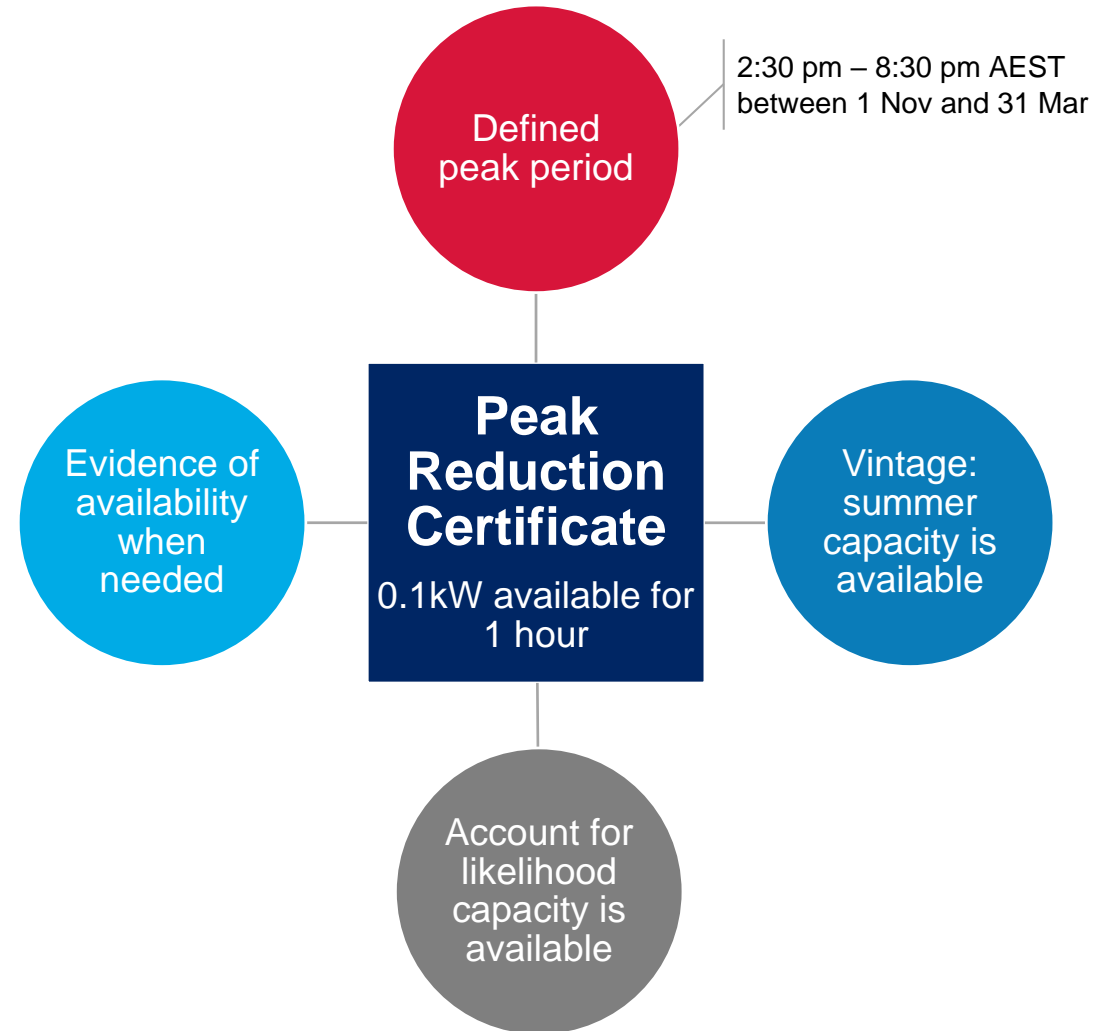
NSW 10% POE maximum demand forecast



Source: AEMO 2021 ESOO

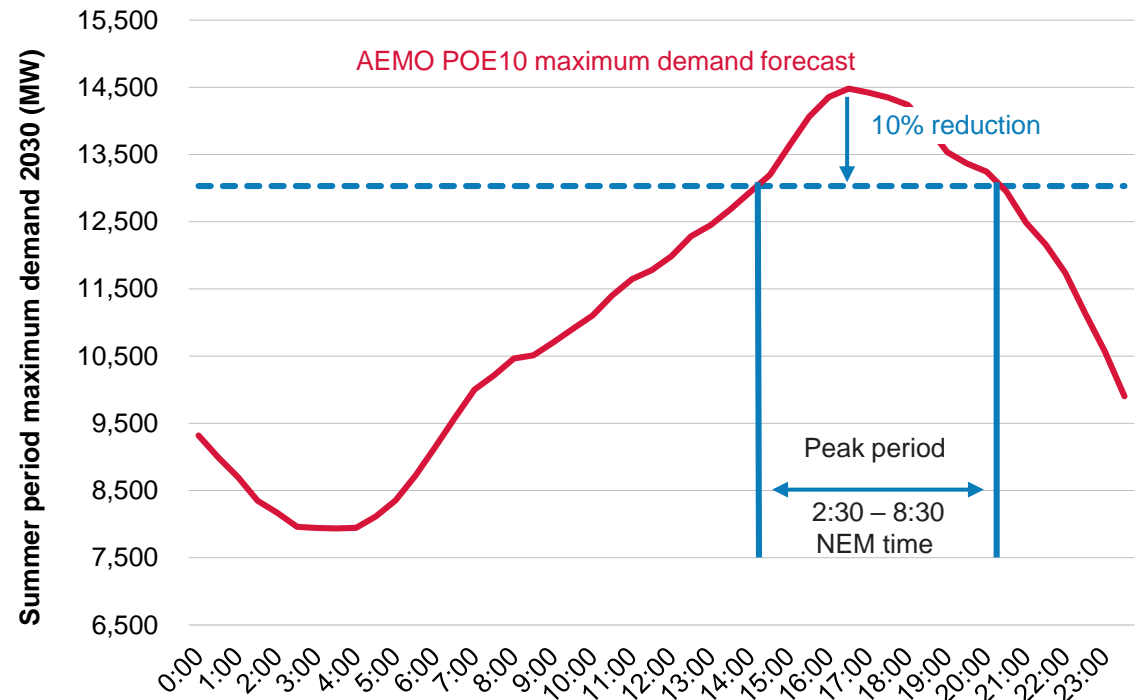
Peak reduction certificates

- 1 certificate = 0.1 kW peak demand reduction capacity available for 1 hour during defined peak period
- Target PRCs = need
- Activity PRCs = availability



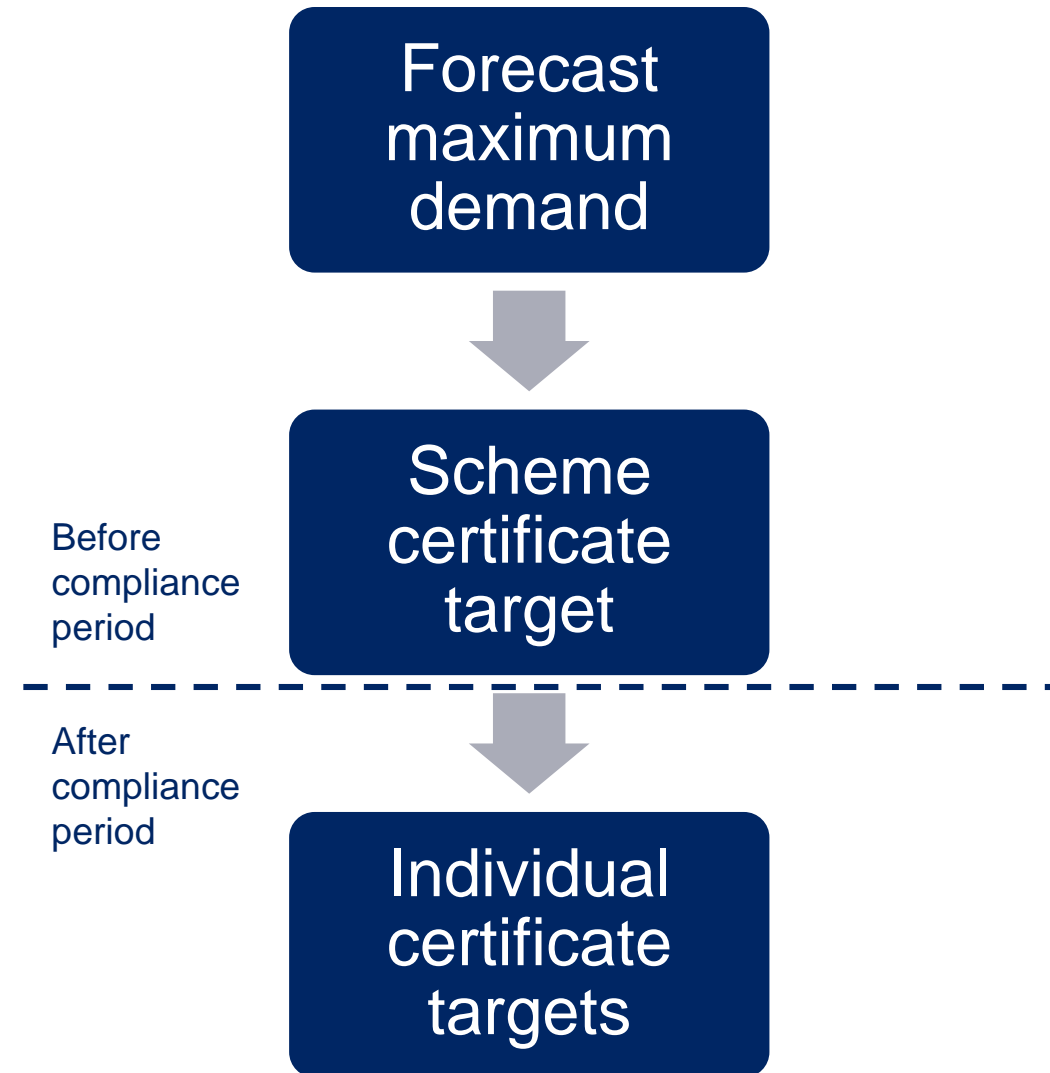
PDRS target

- Set relative to forecast annual maximum demand
- Review every five years or if conditions met
- Peak demand reduction period
 - 2.30pm to 8.30pm AEST
 - 1 November to 31 March



Scheme liability and exemptions

- Liable parties, exemptions: align with ESS
- Total liability: capacity required to achieve target demand reduction on **forecast**
- Allocating target – based on contribution to **actual** peak (kW):
 - Between 2:30 and 8:30 pm on 4 highest demand days during summer period



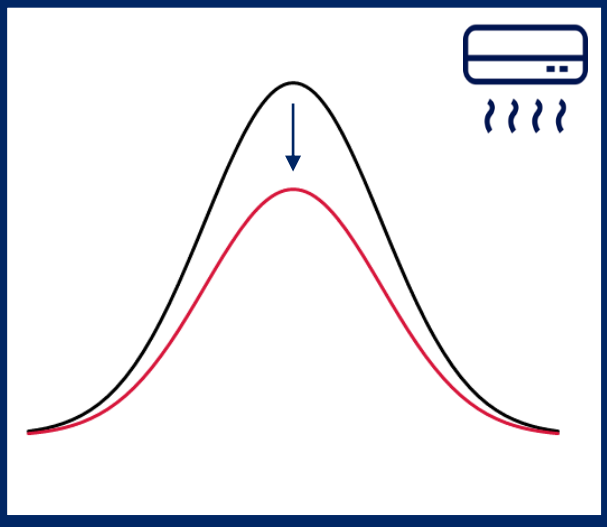
Scheme flexibility

- Liability carry forward
 - 20% for the first year
 - 10% for subsequent years
- Certificate expiry
 - three years after the summer capacity is available

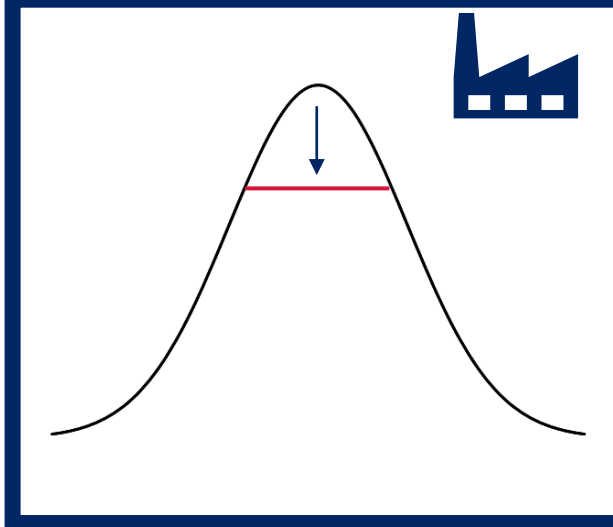


Peak demand reduction activities

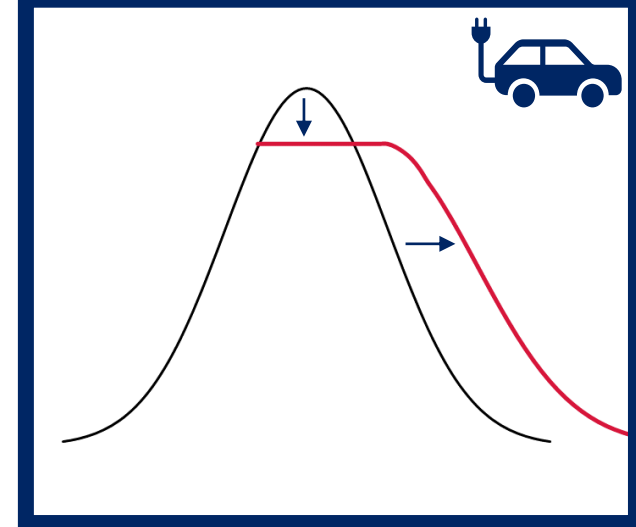
Peak Demand Savings











Peak Demand Response



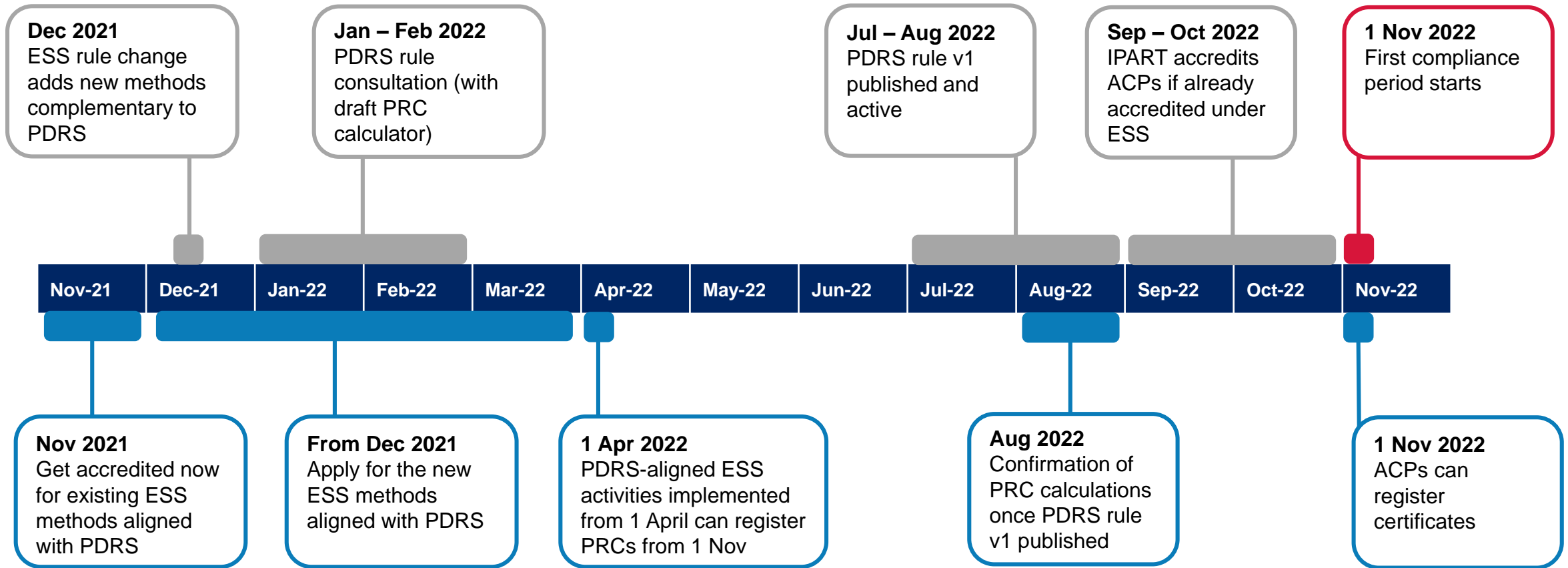
Peak Demand Shifting



PDRS Rule – version 1 activities

End-use Equipment	ESS Deemed Method	ESS Activity Definition	
Residential	Pool pumps 	Home Energy Efficiency Retrofits	D5
	Air conditioners 	Home Energy Efficiency Retrofits	D16
	Heat pump water heaters 	Home Energy Efficiency Retrofits	D17
	Second refrigerators and freezers 	Removal of Old Appliances	C1
Commercial	Air conditioners 	High Efficiency Appliances for Business	F4
	Heat pump water heaters 	High Efficiency Appliances for Business	F16
	Refrigerated cabinets 	High Efficiency Appliances for Business	F1
	Motors (refrigeration and ventilation) 	High Efficiency Appliances for Business	F7

PDRS proposed 'fast start'




IPART / DPIE ACP

Typical PDRS certificate creation timeline



Next steps

 Read the Energy Security Safeguard position paper
<https://www.energy.nsw.gov.au/media/2781>

 Register online to receive updates on PDRS rule consultation
<https://www.energy.nsw.gov.au/government-and-regulation/energy-security-safeguard/peak-demand-reduction-scheme>

 Contact us if you have any questions
energysecurity@environment.nsw.gov.au

Appendix



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Calculating individual liability

1. IPART publishes the four highest demand days

- Top four peak demand days between 1 November and 31 March.

2. Scheme Participants calculate individual liable demand

- Add liable acquisitions between 2:30 and 8:30pm on top 4 peak demand days
- Divide by 24 to calculate average liable demand during this period.

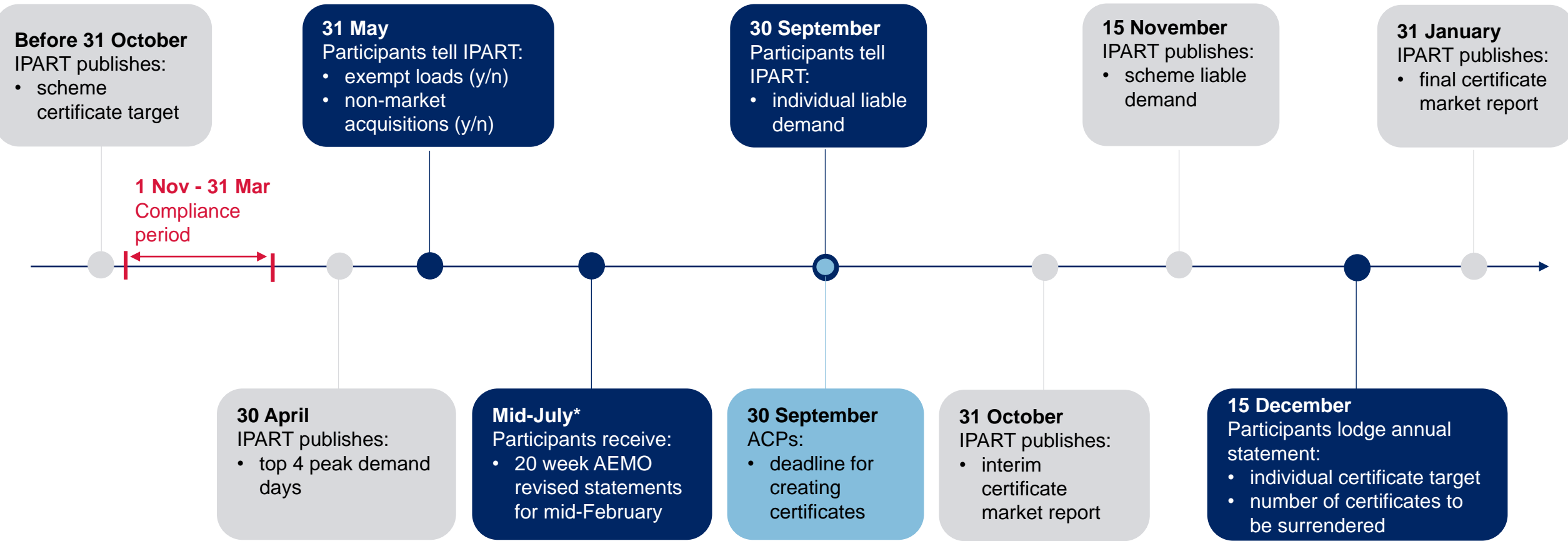
3. IPART calculates scheme liable demand

- Adds all scheme participants' individual liable demand

4. Scheme Participants calculate certificate liability

- Divide individual liable demand by scheme liable demand
- Multiply proportion of scheme liable demand by the scheme certificate target

Liability timeline for one compliance period



* If any of the 4 highest demand days occur after mid-February, IPART can extend due dates for subsequent steps.

Safeguard legislative framework

Electricity Supply Act

Electricity Supply (General) Regulation

Energy Savings Scheme
Rule

Peak Demand Reduction
Scheme Rule

Electricity Load
Exemptions Order

Scheme Regulator
Exemption Rule



Short break – 5 minutes

Please return at 11:00am



How will IPART implement PDRS?

Michelle Coco

Executive Director, Regulation & Compliance

IPART

Administers and regulates the Safeguard

Come to IPART to:

- ▼ find information on getting involved in the Safeguard and how to be compliant
- ▼ apply to be accredited
- ▼ understand ACP compliance obligations
- ▼ understand Scheme Participant obligations
- ▼ register certificates
- ▼ become an approved Measurement and Verification Professional
- ▼ join our Audit Panel

Connect with IPART

Through the contact us page on [Safeguard website](#) or by phone on 02 9290 8452

The Department

Sets Safeguard Policy, writes the Rules and promotes the Safeguard

Come to the Department to:

- ▼ take part in statutory and major reviews
- ▼ provide feedback on regulatory changes
- ▼ get exemption orders for Scheme Participants
- ▼ suggest changes to the Rules
- ▼ participate in testing and trial of new methods
- ▼ take part in activities that promote the uptake of the Safeguard
- ▼ find general information about the Safeguard

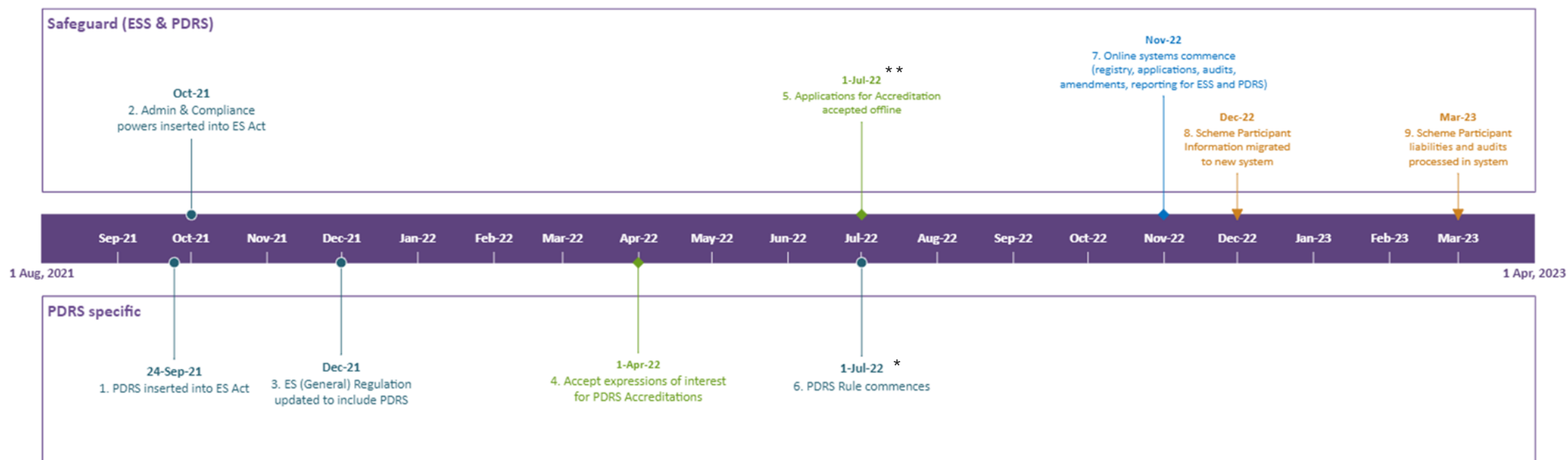
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IPART's Role

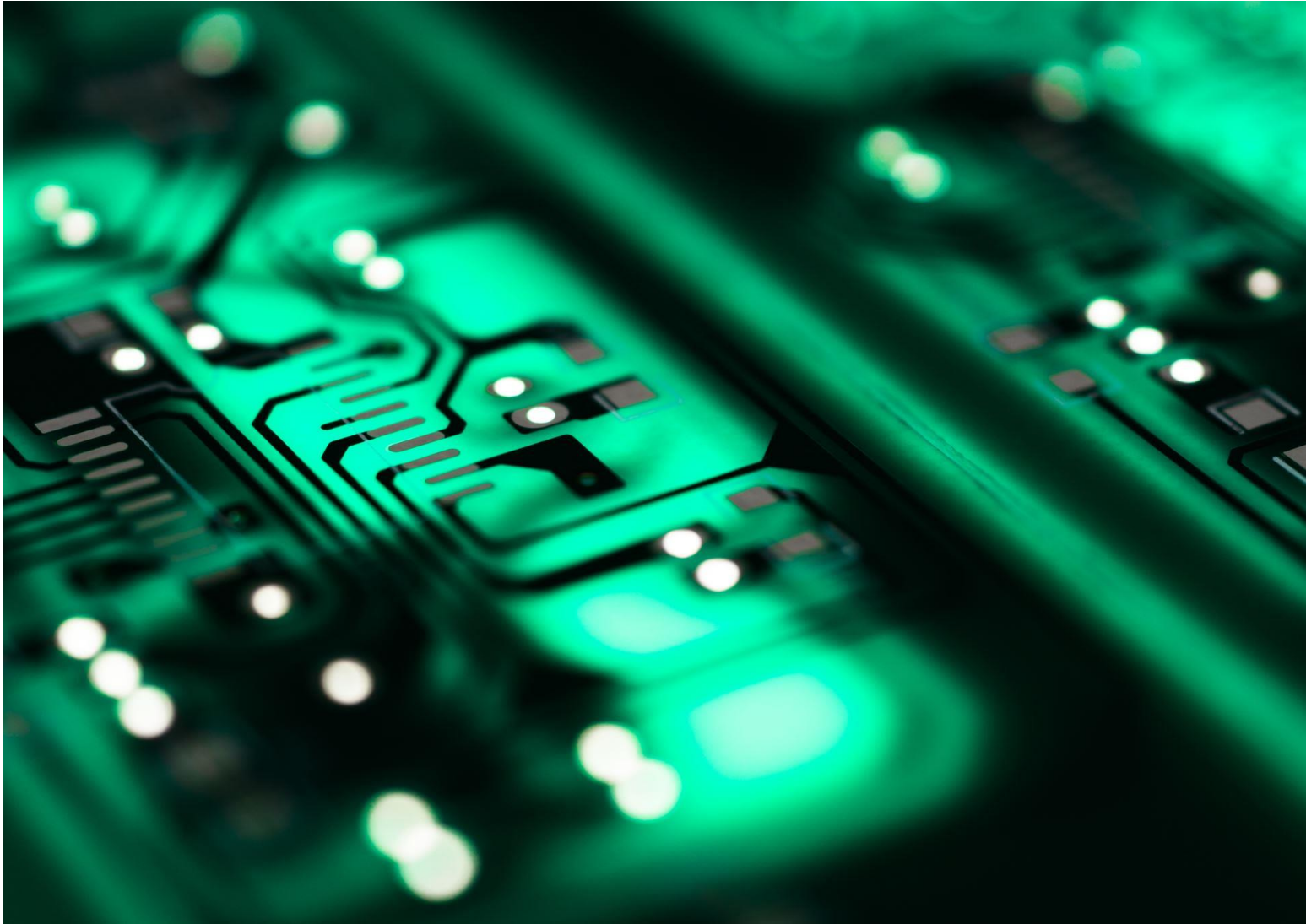
Implementing the PDRS

Safeguard Implementation Roadmap



* Earliest possible commence for the PDRS Rule

** Acceptance of applications is linked to PDRS Rule commencement and may be later than indicated.



Embracing a digital
future

We will



Make it easy to engage with us



Act fairly, with empathy and respect



Keep you informed and be responsive



Make timely decisions



Provide clear accurate and accessible information



Make it so you only have to tell us once



Consult with you and be open to feedback

We expect you to



Share your knowledge and ideas



Provide timely, accurate and quality information



Keep it respectful

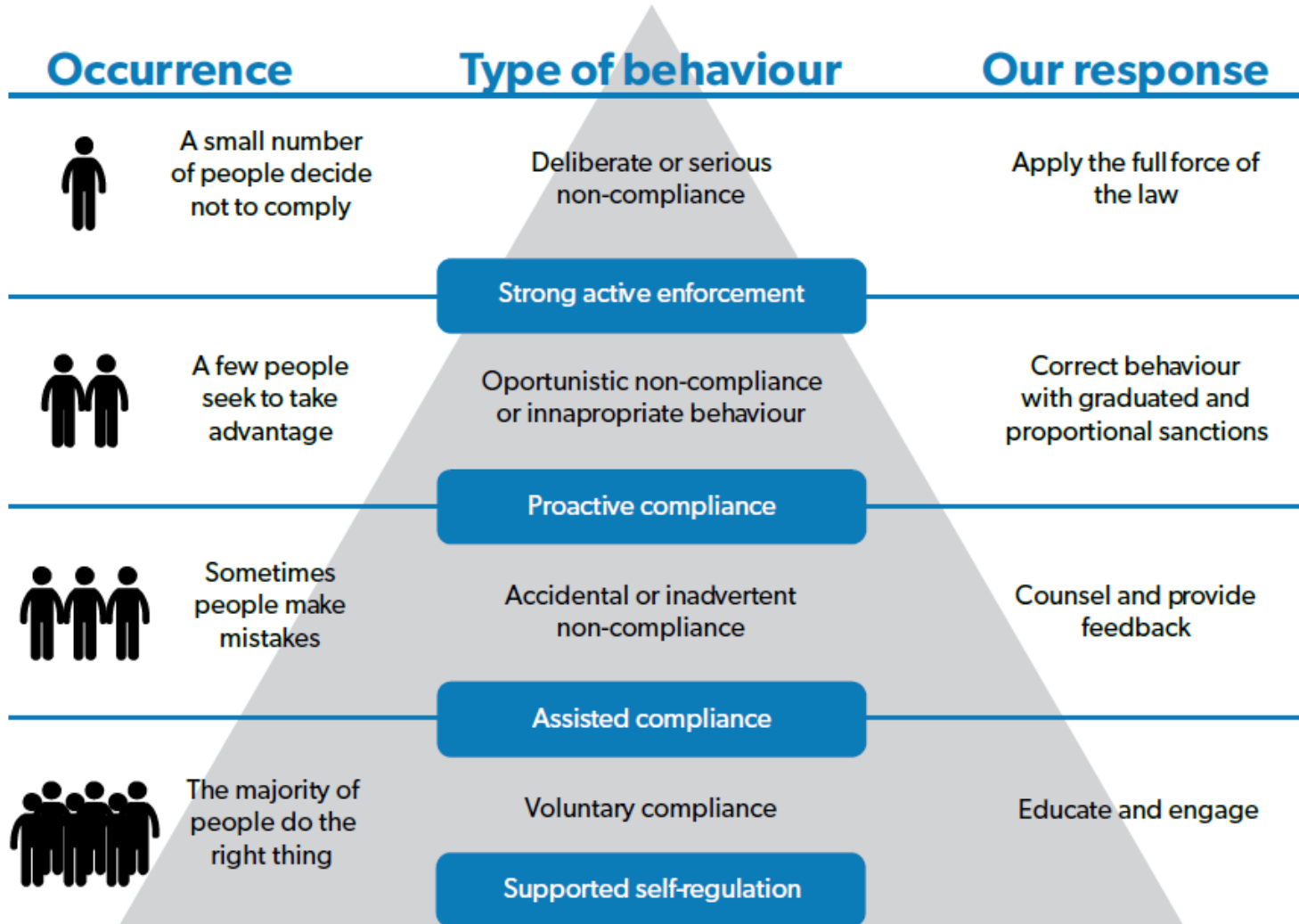


Be open to other ideas

Improving engagement with stakeholders

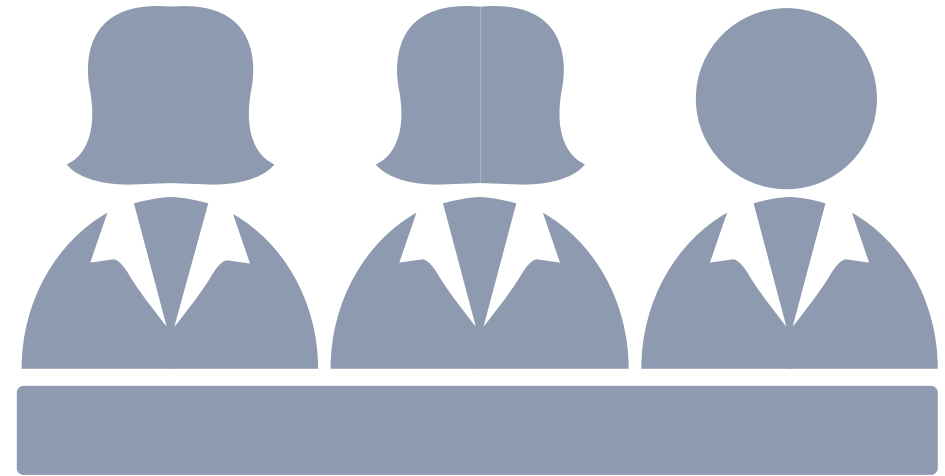


Capability development



Compliance and enforcement

Questions





Panel discussion

Facilitated by Liz Livingstone, CEO

Panel

Navigating uncertainty and complexity: challenges and opportunities for regulators and business

Facilitator: Liz Livingstone, IPART CEO

Sandra Gamble, IPART, ESS Committee Chair

Michelle Coco, IPART, Executive Director Regulation & Compliance

Keith Tarlo, DPIE, Principal Policy Officer

Rod Woolley, President Energy Savings Industry Association (ESIA)



Break-out discussions

Facilitated by ESS staff

Break-out discussion

	Topic	Facilitator
Room 1	Audits & compliance for Accredited Certificate Providers	Paul Petersen & Sean Goodchild
Room 2	All things lighting – commercial/residential lighting activities and lighting products	Tim Kiely & Sarah Stanner-Cranston
Room 3	Scheme Participant compliance	Sonya De Bono & Bruce Green



Closing remarks

Liz Livingstone, CEO

Thank you

Additional feedback is always welcome

Email: ess@ipart.nsw.gov.au

Call: (02) 9290 8452

Website: www.ess.nsw.gov.au