

2021 ESS NEWS

Issue 58 – March 2021

Introduction

Welcome to our first newsletter for 2021. After facing the challenges presented by the COVID-19 pandemic in 2020, 2021 is shaping up to be a year of growth for the Energy Savings Scheme (**ESS**) with major reforms underway. In 2021 our focus continues to be on streamlining our administration of the ESS and strengthening our engagement processes. In this edition of our newsletter, we present updates, improvements and helpful tips that will make it easier for you to do business with us.

Energy Savings Certificates (ESCs) registration deadline

We would like to remind all Accredited Certificate Providers wishing to register 2020 vintage ESCs to have their audits finalised and have their ESCs registered before the **30 June 2021** legislative deadline. The Scheme Administrator has **no discretion to extend or waive this deadline**.

Our website has more information about the ESC registration deadline including applicable timeframes and general information.

Scheme participant compliance deadline

We remind Scheme Participants to have your Annual Energy Savings Statements (**AESS**) and audit reports (if required) lodged by **30 April 2021**.

New Tribunal Chair appointed

The NSW Government has appointed Carmel Donnelly as the new IPART Chair. Carmel is currently the Chief Executive of the State Insurance Regulatory Authority (**SIRA**). She will remain in her current role while recruitment of her successor is underway.

IPART CEO Liz Livingstone warmly welcomed the appointment.

Carmel is an experienced chief executive, board member and regulator with over 35 years public sector experience. More information can be found on the IPART website.

Changes to the ESS Committee

Dr Brian Spalding is retiring from his role as a member of the ESS Committee, effective 30 June 2021. Brian has been a member of the ESS Committee since 2009. We would like to acknowledge the significant contribution Brian has made to the success of the ESS and thank him for his leadership and guidance.

Mr Chris Spangaro will replace Brian on the ESS Committee. Chris was previously the General Manager of the Greenhouse Gas Abatement Scheme (**GGAS**) team and manager for Water Pricing here at IPART. Since leaving IPART, Chris has been a Senior Director of the Australian Energy Market Commission (**AEMC**) and is a director of Energy Consumers Australia.





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Scheme Participant Update

Scheme Participant Compliance 2020

Activities for the 2020 Compliance year have commenced. We recently issued the Australian Energy Market Operator (**AEMO**) data to all Scheme Participants and are currently assessing Detailed Scope of Works (**DSWs**) for audits. If you require an audit and have not yet engaged an auditor or submitted a DSW, please do this as soon as possible.

You need to lodge your Annual Energy Savings Statement (**AESS**) and audit report with us by no later than 30 April 2021. We encourage early submission if possible.

If you have any questions regarding the Scheme Participant Compliance process, please email the team at essregulator@ipart.nsw.gov.au.

Small Retailer Order

The NSW Government provided relief to small retailers for the 2020 Compliance year through a Ministerial Order, the *Energy Savings Scheme (Small Retailer) Order 2020*. This reduces the energy savings target for 2020 by 100% for small retailers. Further information about how to confirm your eligibility can be found on our website.



Energy Savings Target to Increase

The NSW Government announced that the Energy Savings Target is set to increase from 8.5 per cent to 13 per cent by 2030. Raising the target will ramp up energy savings and produce more than \$6 billion in bill savings for consumers. Read more about the Energy Savings Target increase.



Current Consultations

Lamp Circuit Power (LCP) not determined at rated power will be removed from public list

In December 2020 we advised that we would remove LCP values that were incorrectly published at multiple power settings for some lighting products. Notice 05/2020 sought feedback on our proposed timeframes for removal, and the arrangements for projects affected by the removal of these LCPs.

We have reviewed the submissions and will release our final position paper shortly.





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Making it easier to engage with us

Stakeholder Charter

Thanks for your feedback on the Stakeholder Engagement Charter. We have now published the updated Charter on our website.

In our stakeholder charter we committed to making it easy to engage with us. We want to talk to you about how we can do that better.

We will be looking for participation in focus groups, surveys and interviews to get your feedback.

If you are interested in taking part, please register your interest here and we will be in touch with you shortly.

ESS Portal Upgrade

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We recently released a new feature for Auditors and ACPs in the ESS Portal for tracking audit recommendations.

For Auditors the change will make it simpler to retrieve previous audit recommendations when quoting or preparing a detailed scope of work. This reduces reliance on ACPs providing a full list of outstanding recommendations.

For ACPs the change consolidates all recommendations and responses to all audits of an accreditation and makes it easier for to identify issues or trends that may require attention to reduce compliance or business risks.

For IPART the change improves IPART's ability to track ACP responses to audit recommendations and assess whether there are residual or emerging risks that require administrative action ahead of the next audit.

You can find more detail in our Auditor Fact Sheet and our ACP Fact Sheet.



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Compliance Tip – Small Business SIte

Classification of small business sites under the Home Energy Efficiency Retrofits (HEER) method

ACPs and other stakeholders have enquired about whether a residential premises incorporating a home office, or from where a businesses is conducted, is a Small Business Site. Recent Home Energy Efficiency Retrofit (**HEER**) audits have also identified errors with this classification.

A site is a Small Business Site only if it:

- is entirely occupied by one business, and
- that business, as a consumer of electricity at the Site:
 - is a Small Customer, or
 - is a customer of an Exempt Seller, and has an annual electricity consumption below the Upper Consumption Threshold for electricity.

Small Customer, Exempt Seller and the Upper Consumption Threshold are defined in the National Energy Retail Law (NSW).

Residential premises, including those where business is conducted, would generally not be a Small Business Site, as the entire site is not occupied by the business.

Residential like premises that are occupied by a single business and used solely for business purposes (i.e. it is not used for residential purposes) may be a Small Business Site. However the business must also be a Small Customer or the customer of an Exempt Seller with consumption below the Upper Consumption Threshold for electricity.

We encourage HEER ACPs to review their procedures for classifying a site as either a Residential Building or Small Business Site.



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ESS Registry and Accreditation Statistics

Table 1: ESS certificate statistics

Total ESCs created under the ESS since 2009 ^a	ESCs available for surrender ^a	Compliance Year	Estimated target	ESCs created ^a
37,599,656	8,984,510	2020 2021	4,600,000 4,600,000	3,864,778 147,704

Table 2: Current and recent accreditations

Total current accreditations ^{a,b}	178
New accreditations this quarter ^c	3

Table 3: Recent accreditations under the Energy Savings Scheme^c

Company name	Accreditation name	Project type	Sector
Fusionet Pty Ltd	Commercial Lighting Upgrades	Lighting	Commercial
Fusionet Pty Ltd	Home Energy Efficiency Lighting Upgrades	Lighting	Residential/ Small Business
Sam Jeffery Pty Ltd (trading as GLOWER)	Replacing Inefficient Lighting	Lighting	Residential/ Small Business

ESS Market Statistics, Million ESCs per guarter ESC surplus versus target ESC creation ESCs transferred 5.5_{5.2} 8.1^{8.9} 7.9^{8.4} 2.1 6.6^{7.0} 3.9 3.8 5.96.1 1.31.3 3.2 3.13.2 3.1 0.81.0 1.0 4.6 0.7 Mar Jun Sep Dec Mar Jun Dec Sep Jun Dec Mar Sep 2020 ESC Target (*estimated) 2019 100

ESS Market Statistics





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ESC creation increased from last year

ESC creations for the December quarter were virtually the same compared with the corresponding quarter in 2019. For the 2020 year, ESC creations are 4.5% higher than the 2019 year.

ESCs transferred decreased from last year

ESC transfers for the December quarter were 19% lower than the corresponding quarter in 2019. For the 2020 year, ESC transfers are 1% lower than the 2019 year.

ESC surplus continues to grow

The ESC surplus reached 8.4 million ESCs at the end of the December 2020 quarter. This continues to exceed the estimated 2020 compliance year target of 4.6 million ESCs.

Note - the percentage changes reported above have been calculated using unrounded figures.



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