

Combined audit regimes for PIAM&V

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1 We use audit conditions to reduce the risk of non-compliance

The Scheme Administrator imposes audit conditions and registration limits to ensure that energy savings certificates (**ESCs**) created reflect energy savings arising from Recognised Energy Saving Activities (**RESAs**). Generally, accreditations under the Project Impact Assessment with Measurement and Verification (**PIAM&V**) method commence with a pre-registration audit regime, which ensures calculations are independently verified to prevent improper creation of ESCs.

2 ACPs may request volumetric limits for EUE categories

Accredited Certificate Providers (**ACPs**) may request a volumetric ESC creation and audit limit for particular end-user equipment (**EUE**) categories within PIAM&V method accreditations that have more than one category of EUE.

To be approved, ACPs must demonstrate an understanding of the PIAM&V method for the relevant EUE category. The remaining EUE categories would retain the requirement for ESCs to be audited prior to registration (i.e. a pre-registration audit regime).

3 Combined audit regimes better target risk

Under the PIAM&V method, ACPs develop energy models that determine the energy savings. This is different to other calculation methods where the equation for the calculation of energy savings is stipulated in the ESS Rule. This allows for a greater breadth of EUE than in the deemed methods and considerable flexibility for establishing Energy Savings relative to the other project-based methods.

To have confidence that the identified energy savings are attributable to the implementation we expect rigour in the selection and justification of measurement and verification (**M&V**) techniques, Site Constants and Independent Variables. Accordingly, the Scheme Administrator considers that pre-registration audit requirements should apply to EUE categories until an ACP demonstrates understanding of the PIAM&V method.

Less risk is indicated where an ACP has demonstrated its understanding of an EUE category, has established ongoing compliance with the ESS Rule and adherence to Scheme Administrator decisions and guidance. Accordingly, a volumetric audit limit may be appropriate for that EUE category.

Allowing combined (volumetric and pre-registration) audit regimes may assist ACPs with cash flow and reduce audit costs while they acquire experience and work to establish understanding of PIAM&V for other EUE categories.

It may also allow ACPs with multiple PIAM&V accreditations to consolidate those accreditations and simplify their audit obligations. ACPs that have 'old' EUE categories included in their PIAM&V accreditations may also wish to consolidate them into the existing EUE categories for PIAM&V.¹

Allowing for combined audit regimes within the one accreditation better aligns audit requirements with the risks associated with an ACP's understanding of the PIAM&V method for particular EUE.

4 How to apply for a combined audit regime

An ACP may request an amendment to its conditions of accreditation through the ESS Portal.

To apply for a volumetric ESC creation limit for a particular EUE category ACPs must demonstrate, for a range of typical equipment and processes covered by the EUE category, an understanding of:

- ▼ the PIAM&V method
- ▼ relevant M&V techniques
- ▼ the selection of appropriate Site Constants
- ▼ and how the relevant EUE converts energy use into end-use services and is affected by the Independent Variables,²

We will assess applications for increases to volumetric limits on a case-by-case basis with reference to our current guidance as published in Section 4 of the [ACP Compliance Guide](#).

We encourage ACPs that are considering consolidating accreditations to discuss their options and preferences ahead of lodging applications for volumetric ESC creation and audit limits.

¹ Refer [Notice 08/2018 - Requirements for PIAM&V - End User equipment categories under PIAM&V](#)

² This is consistent with the criteria for approval as an M&V Professional (clause 7A.15(a) of the ESS Rule).

5 More information

Please contact the ESS Compliance team by email to ess_compliance@ipart.nsw.gov.au if you have any questions regarding this matter.

For more information on applying to change your conditions of accreditation please refer to the ESS website <https://www.ess.nsw.gov.au/Accredited-Certificate-Providers/Operating-as-an-ACP/Changing-your-accreditation>.