



Independent Pricing and Regulatory Tribunal

Record Keeping Guide

Energy Savings Scheme

V2.2 April 2016

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V2.1	Record Keeping Guide was updated to: <ul style="list-style-type: none">▼ better identify what records are required to be kept by Accredited Certificate Providers to support ESC creation by prescribing accreditation conditions that refer to the evidence manuals published on our website, and▼ better communicate our requirements for record keeping arrangements to Accredited Certificate Providers and future applicants.	16 June 2015
V2.2	Updated to reflect the removal of the Evidence Manual for some methods.	April 2016

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1 Introduction

The NSW Energy Savings Scheme (ESS) seeks to reduce energy consumption in NSW by creating financial incentives for organisations to invest in energy saving projects.

The other objects of the ESS are to:

- ▼ assist households and businesses to reduce energy costs
- ▼ make the reduction of greenhouse gas emissions achievable at a lower cost, and
- ▼ reduce the cost of, and need for, additional energy generation, transmission and distribution infrastructure.¹

Electricity retailers and other mandatory participants (**Scheme Participants**) are obliged to meet energy saving targets. Energy savings are achieved by installing, improving or replacing energy saving equipment. Companies that become Accredited Certificate Providers (**ACPs**) can create energy savings certificates (**ESCs**) from these activities and then sell those ESCs to Scheme Participants. The Independent Pricing and Regulatory Tribunal of NSW (IPART) is both the Scheme Administrator and Scheme Regulator of the ESS.²

Collecting and retaining the required records to support the methodology, data and assumptions used to calculate energy savings is an accreditation condition for ACPs and is critical for the proper creation of ESCs. In order to comply with this condition of accreditation, ACPs must have complete records before the creation of ESCs. ESCs created without the required supporting records may be found to be improperly created.

Section 3 of the Record Keeping Guide (Guide) identifies the records that ACPs are required to keep. Section 4 of this Guide sets out the Scheme Administrator requirements for appropriate record keeping arrangements. Sections 3 and 4 of this Guide are incorporated as requirements in an ACP's accreditation notice.

This Guide is also a useful reference for applicants who are preparing their application for accreditation. Applicants should make sure that all the requirements mentioned in this Guide are adequately addressed in any application for accreditation.

This Guide should be used in conjunction with the ESS Application Guide³, the Method Guides⁴, Evidence Manuals⁵ and Evidence Packs⁶ relevant to your accreditation or your application.

¹ *Electricity Supply Act 1995*, section 98(2)

² *Electricity Supply Act 1995*, sections 153(2) and 151(2) respectively

³ See www.ess.nsw.gov.au/How_to_apply_for_accreditation

⁴ See www.ess.nsw.gov.au/Methods_for_calculating_energy_savings

⁵ See www.ess.nsw.gov.au/Methods_for_calculating_energy_savings

The Scheme Administrator may update this Guide from time to time. Notification of updates to this Guide will be published at www.ess.nsw.gov.au.

2 Legal requirements for record keeping under the Energy Savings Scheme

One of the eligibility requirements for accreditation as an ACP in respect of your activity is that your record keeping arrangements have been approved by the Scheme Administrator, or that the Scheme Administrator is satisfied that you will have appropriate record keeping arrangements in place at the time of implementation.

Once you are accredited and carrying out your activity, you are required to keep specific records in order to support your ESC creation. These records are specific to the activity for which you are accredited and are identified in section 3 of this Guide.

It is a condition of accreditation that you collect and retain these records and to ensure these records are complete prior to the creation of ESCs. Compliance with this requirement will be assessed through audit. A failure to keep the required records may be a breach of your accreditation conditions, which could result in a range of penalties including suspension or cancellation of your accreditation.

Table 1 provides a summary of the key record keeping requirements in the *Electricity Supply (General) Regulation 2014 (the Regulation)*. It is a summary only and does not constitute legal advice.

Table 1 Record keeping requirement for the ESS

Requirement	Regulation clause
The person is eligible for accreditation if the person has record keeping arrangements with respect to the activity approved by the Scheme Administrator or (for a proposed activity) the Scheme Administrator is satisfied that the person will have appropriate record keeping arrangements in respect of that activity when the activity is carried out.	Clause 38(1)
The ACP must keep a record of: <ul style="list-style-type: none"> ▼ the location in which the activity occurred, ▼ the energy savings (calculated in accordance with the scheme rules) arising from that activity, and ▼ the methodology, data and assumptions used to calculate those energy savings. 	Clause 46(1)
An ACP must keep any records that the Scheme Administrator has, by notice in writing to the ACP, required the ACP to keep.	Clause 46(2)

⁶ See www.ess.nsw.gov.au/Methods_for_calculating_energy_savings

Requirement	Regulation clause
A record required to be kept by a person must be retained by the person for at least 6 years after it is made.	Clause 46(3)
Records are to be kept in a form and manner approved by the Scheme Administrator.	Clause 46(4)

3 Record keeping requirements under the Energy Savings Scheme

This section sets out the Scheme Administrator’s standard requirements regarding records that must be kept by ACPs. You will need to maintain record keeping arrangements that meet the Scheme Administrator’s requirements as long as you are accredited under the Scheme and will need to retain all records for a period of 6 years after ESC creation, whether or not you are accredited.

3.1 Records to be kept

You are required to collect and retain the evidence identified in the guidance document relevant to the calculation methodology for which you are accredited as listed in Table 2 below. The guidance documents are published on the ESS website at www.ess.nsw.gov.au. We will update these documents and develop new guidance from time to time.

Table 2 Evidence required to be kept

Method	Guidance document
Deemed Energy Savings Method – Sale of New Appliances	<i>Method Guide - Sale of New Appliances</i>
Deemed Energy Savings Method – Commercial Lighting Energy Savings Formula	<i>Evidence Manual – Commercial Lighting Energy Savings Formula</i>
Deemed Energy Savings Method – High Efficiency Motors Energy Savings Formula	<i>Method Guide – High Efficiency Motors Energy Savings Formula</i>
Deemed Energy Savings Method – Power Factor Correction Formula	<i>Method Guide – Power Factor Correction Formula</i>
Deemed Energy Savings Method – Removal of Old Appliances	<i>Method Guide – Removal of Old Appliances</i>
Deemed Energy Savings Method – Installation of High Efficiency Appliances for Business	<i>Method Guide – Installation of High Efficiency Appliances for Business</i>
Deemed Energy Savings Method – Home Energy Efficiency Retrofits	<i>Method Guide – Home Energy Efficiency Retrofits</i>
Metered Baseline Method - NABERS baseline	<i>Method Guide - NABERS baseline</i>

Method	Guidance document
Metered Baseline Method – Method 1, Method 2 and Method 3	<i>Method Guide – Metered Baseline Method</i>

It is an ACP’s responsibility to ensure they comply with the most recent version of the relevant guidance document at the time of implementing an activity and creating ESCs. Auditors will audit compliance using the version of the guidance document that was current at the time of your ESC creation.

There are several methods for which records will be proposed and assessed at the time of application for accreditation, rather than specified in detail in the guidance documents. The proposed records will be approved as part of your accreditation. These methods include:

- ▼ Aggregated Metered Baseline
- ▼ Metered Baseline Method (Methods 1, 2 and 3), and
- ▼ Project Impact Assessment with Measurement and Verification.

4 Record keeping arrangements

ACPs must maintain appropriate record keeping arrangements to ensure that they are able to collect the evidence required. You must ensure that you have record keeping arrangements that will:

- ▼ facilitate the collection of the required records
- ▼ allow accurate records to be provided to the Scheme Administrator or to an auditor at any time, and
- ▼ retain the records for at least 6 years after ESC creation.

4.1 Document register

You must have a document register that lists the records that must be collected and retained to support your ESC creation. For most methods, this list has been provided in the method guide relevant to your accreditation (see Table 2).

Where a list of evidence has not been developed, your document register must identify the evidence that will be collected and retained to support ESC creation. The evidence required will depend on the calculation methodology for which you are accredited but in general, you should include:

- ▼ nomination form, where you are to be nominated as the energy saver

- ▼ details of the location of the Recognised Energy Saving Activity⁷ (RESA)
- ▼ evidence to show that the RESA has been, or will be, implemented eg, sales invoices
- ▼ evidence to support inputs to the calculation of energy savings
- ▼ records of the calculation of energy savings arising from the RESA
- ▼ records of the calculation of the number of ESCs to be created
- ▼ records that demonstrate that the RESA remains implemented and functioning for the life of the proposed energy savings, and
- ▼ any other records identified as part of your application for accreditation.

4.2 Processes and/or procedures for keeping records

You need to explain the step-by-step details of how records will be obtained, processed, maintained and controlled as well as identify the position(s) of the person(s) responsible for each of these steps in a process/procedure document.

Applicants with multiple business units involved in the RESA may have separate (but interlinked) record keeping processes for each business unit.

Record keeping processes and procedures must include:

- ▼ a description of where data was sourced, how the data is identified and recorded (within the relevant information systems)
- ▼ how each record in the document register is created, approved and updated
- ▼ details of any information systems, databases, and/or spreadsheets used to collate, manage or store records listed in the document register
- ▼ how each record in the document register is identified (via the record identification protocol/naming protocols) and where each record is located
- ▼ the position of the person responsible for each type of record in the document register
- ▼ processes for archiving and retrieving documents, and
- ▼ a description of how records will be retained for a minimum of six years.

In support of the above requirements, you need to have a process map at the time of application that identifies and illustrates the key steps and platforms for the flow of a record from its initiation to its eventual archival.

⁷ A *Recognised Energy Saving Activity* (RESA) is an activity that reduces electricity consumption in respect of which ESCs may be created.

4.3 Quality assurance – controls to ensure records are accurate

You must demonstrate that you have adequate mechanisms in place to ensure that the records are complete, accurate and reliable. You must also show the processes and responsibilities for checking records, especially calculations and steps in the creation and registration of ESCs.

To do this, you should provide a quality assurance document describing:

- ▼ the documented control procedures in place for each record
- ▼ details of any internal audit and reconciliation procedures you have developed to support your record keeping
- ▼ the procedure for checking energy savings calculations prior to creation and registration of ESCs, and
- ▼ the position of the person who is responsible for performing these actions.

5 Continuing arrangements for record keeping

Once you have been accredited for an activity, you will be issued with an accreditation notice listing conditions that have been imposed by the Scheme Administrator. Some of those accreditation conditions may relate to requirements for record keeping. You must comply with all accreditation conditions. You should read your accreditation notice and contact the ESS team if you do not fully understand the requirements.

You are also responsible for ensuring that your record keeping arrangements continue to meet any additional Scheme Administrator requirements, as described in Sections 3 and 4 of this Guide. These requirements may be updated from time to time and you will be asked to update your record keeping arrangements accordingly.

Your record keeping arrangements will be tested at audit, as prescribed in your accreditation notice, or as required by the Scheme Administrator. The Scheme Administrator may also require you to provide copies of your record keeping documentation for review at any time.

A Australian Standard on Records Management

It is strongly suggested that record keeping arrangements be consistent with the Australian Standard on Records Management AS/ISO 15489:2002. This provides guidance on developing auditable record keeping procedures. You should apply this Standard when developing and maintaining your record keeping arrangements. It is published by Standards Australia International Ltd (Standards Australia) and copies can be purchased from the Standards Australia website - www.standards.com.au.

You may also find it useful to refer to the:

- ▼ Australian Standard on Environmental Management Systems AS/NZS ISO 14001:2004 for specific guidance on environmental records; and
- ▼ Australian Standard on Quality Management Systems AS/NZS ISO 9001:2008 for guidance on developing auditable record keeping procedures.

If your organisation is accredited under any of these standards, please provide evidence in your application for accreditation.