



energy savings
Industry Association

**ESIA submission
NSW ESS
IPART Draft Customer Charter**

Relevant, fair, measurable,
transparent, best practice

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Submitted via ess@ipart.nsw.gov.au to:
Independent Pricing and Regulatory Tribunal (IPART)

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Engagement

The Energy Savings Industry Association (ESIA) commends New South Wales (NSW) IPART on its ESS Customer Charter initiative and is pleased to make this submission.

The Draft Charter was referenced at: <https://www.ess.nsw.gov.au/Home/Document-Search/Other/Draft-Engagement-Charter>

The ESIA requests that consideration in this process be given to other ESIA submissions made to DPIE and IPART that provide good examples of information that can be quantitatively and qualitatively evaluated in term of service delivery, including:

- ESIA Independent Review Report, 22 Oct 2020; and
- ESIA Recommendations Update, NSW ESS M&V – improving methods to deliver energy savings in NSW, 9, Nov 2020.

Further input

The ESIA welcomes the opportunity to discuss this submission further with both DPIE and IPART as soon as possible, and in particular to test drive various metrics parameters prior to a final charter being published and actioned. (Due to pressing time constraints we have not been able to provide more detailed suggestions.)

For more information regarding this submission and further input, please contact comns@esia.asn.au.

About ESIA

The Energy Savings Industry Association (ESIA) is the peak national, independent association representing and self-regulating businesses that are accredited to create and trade in energy efficiency certificates in market-based energy efficiency and demand reduction schemes in Australia. These activities underpin the energy savings schemes which facilitate the installation of energy efficient products and services to households and businesses. Members represent the majority of the energy efficiency certificate creation market in Australia. Schemes are established in Victoria, NSW, SA and the ACT. Members also include product and service suppliers to accredited providers within the schemes. As well, the ESIA represents member interests in national initiatives that include demand reduction and energy efficiency such as the Federal Government's Climate Solutions Fund.

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1. Overarching feedback

1.1 Framework and reportable indicators

The ESIA welcomes the opportunity to discuss this submission further with both DPIE and IPART as soon as possible in particular regarding testing for **relevance, robustness, fairness, measurability, transparency and best practice benchmarking**.

Without these attributes, the Charter will hold little weight and be a wasted opportunity to significantly improve upon current challenges in the current ESS audit and compliance approach.

We recommend that the charter framework requires:

1. **A stated commitment by IPART to deliver on the Charter** as without this there will be no imperative to follow through and develop a best practice feedback loop to determine if the Charter is being met.
2. **All aspects to be regularly and tangibly measured**, including by quantitative and qualitative indicators, such as annual and some quarterly Key Performance Indicators (KPIs).
3. **Results to be published** and made available publicly in a timely manner.
4. **An even-handed approach** for all parties (ie IPART and others - ACPs, auditors and MVPs).
5. **A 'growth mindset', innovative and creative approach to compliance best practice** complementing that required by industry to deliver transformative energy savings.

2. Specific feedback

2.1 NSW government Experience Unit Customer Commitments

It would be useful to provide the reference and relationship of the Charter to the existing NSW government Customer Experience Unit, for example, the Customer Service Commission published **Customer Commitments** (*Refer to Appendix A for wording, which published at <https://www.nsw.gov.au/customer-experience-unit>*).

2.2 Methods and frequency of evaluation - measuring KPIs

Methods of evaluation for the IPART ESS Charter are not explored in this ESIA submission. However, the evaluation methods of the NSW government Experience Unit Customer Commitments provide an interesting range of benchmarks that are worth exploring by IPART in more detail in consultation with ESS stakeholders. (*Refer to Appendix A for links to recent annual and quarterly evaluation reports.*)

The ESIA recommends that the measurable items within the IPART ESS charter be evaluated at least annually and more frequently for some areas. (Such as quarterly for M&V methods requiring more complex

audit and compliance considerations, which have major impacts for all stakeholders if KPIs are not being met.)

2.3 Charter for Safeguard and PDRP

Is it the intention of IPART to have another charter or other similar initiatives for which IPART is the regulator, such as the Energy Security Safeguard (Safeguard) and Peak Demand Reduction Program (PDRP) to be launched as hoped in mid-2021? If so, it may be more practical to have a more expansive reach across various initiatives with a commitment to specific measurable components for key initiatives.

Any more than one Charter would be burdensome to industry and likely diminish impact.

2.4 Stakeholder responsibilities check

The table below indicates whether the currently drafted Draft Charter responsibilities are clear and some suggestions. Due to ESIA time constraints to respond to this submission more fully, only some examples are provided below, however, a more rigorous assessment in coming weeks could be undertaken to test drive this section.

Where specific quantitative data is not practical, a qualitative survey of stakeholders will pick up key fluctuations, at most basic, using the key words in the left column and rating them from 1-10, with option to explain why the score has been given.

Current Draft	Roles	Clear	Suggestions
IPART	Administers and regulates the ESS	✓	
DPIE	Sets ESS Policy, writes the ESS Rule and promotes the ESS	✓	

Current Draft (of responsibilities?)	Clear	Suggestions
Come to IPART to:		This section appears to be about specific 'responsibilities' under the ESS for both IPART and DPIE which require a range of capabilities. So, use of the word 'responsibilities', or perhaps 'services' would clarify what this list is. (The ability to measure on the delivery of responsibilities requires certain capabilities themselves need to be measurable.) 'Engage' may be used instead of 'Come to' to reflect that the connection is active and two-way.
Find information on getting involved in the ESS and how to be compliant	✓	
Apply to be accredited	✓	
Understand ACP compliance obligations	✗	'Understand' – this term provides a grey area. Currently a range of audit regime issues are related to IPART not supporting ACPs in developing a mutually accepted working understanding of compliance obligations. This requires 'education and training' about the Rule in relation to compliance which is currently not being delivered effectively by either IPART or DPIE regarding measurement and verification methods (a major growth area of the ESS and Safeguard and Peak Demand Reduction Scheme (PDRP)). A metric to measure this would be to publish the numbers of failed audits with reasoning provided from a short selection of usual reasons for audit failure. DPIE, IPART and ACPs could then use this information to effect improvements to: <ul style="list-style-type: none"> ○ Education and training of ACPs and MVPs, auditors and IPART ○ Audit and compliance processes

		<ul style="list-style-type: none"> ○ Appeals processes (including why unsuccessful appeals do not progress further through the current system, eg from review to NCAT, eg due to NCAT cost)
Register Energy Savings Certificates	✓	Publish certificate registration error rates (in aggregate) with key reasons why made available.
Become an approved M&V professional	✓	<u>Maintaining</u> M&V professional accreditation also needs to be part of the commitment. This requires 'education and training' for this status specifically in relation to the Rule and in relation to compliance which is currently not being delivered effectively by either IPART or DPIE around measurement and verification methods.
Join our Audit Panel	✓	<u>Maintaining</u> membership of the Audit Panel also needs to be part of the commitment. This requires 'education and training' for this status specifically in relation to the Rule and in relation to compliance which is currently not being delivered effectively by either IPART or DPIE around measurement and verification methods.
[Other]		There needs to be option to expand this responsibilities list over time
Come to the Department to:		
Find general information about the ESS		Move this to the top: in tandem with the equivalent responsibility of IPART. 'Engage' may be used instead of 'Come to' to reflect that the connection is active is two-way.
Take part in statutory and major reviews		
Provide feedback on regulatory changes		
Get exemption orders for Scheme Participants		
Suggest changes to the ESS Rule		What about other Rules over time, eg will the PDRP have a separate Rule?
Participate in testing and trial of new methods		What about termination of methods considered no longer relevant? Perhaps adding 'and progression through their life-cycle to phase out'. This is particularly relevant to lighting currently, given industry has submitted major concerns with modelling and determination of activity phase-out dates with insufficient responsibility taken by government to take on board crucial concerns (such as inadequate data sets being used repeatedly).
Take part in activities that promote the uptake of the ESS		
[Other]		There needs to be option to expand this responsibilities list over time. What about adjust initiatives, which could reasonably be covered by the same Charter that have the same compliance requirements, but certificates are not part of the ESS target?

2.5 Revised charter suggestions

Commitments	Measure	Opportunities for improvement	KPI
IPART:			KPIs should relate directly back to ability to the scheme to deliver energy savings
Practical	Ask stakeholders if there are more practical ways in which IPART can conduct its work from the perspective of businesses being able to engage	This needs to include from minor glitches to major considerations	KPIs could relate to the number of requests and improvements subsequently made, with a robust platform for engagement making this communication possible.
Engage	Customer query tracking system (for ACP's, auditors, MVPs) Establish an audit technical committee to review cases and technical decisions including DPIE/IPART, auditors, MVPs		Measure, prioritising of enquiries and time taken in days/weeks to respond Measures number of cases and technical decisions before each

	and ACPs Establish an MVP technical committee to review cases and technical decisions including DPIE/IPART, auditors, MVPs and ACPs		committee and the time taken to consider them, evaluate findings and applications of findings to deliver energy savings
	Value of the professional opinion of auditors and MVPs	If they keep getting overturned (eg for various methods such as M&V), then something is not right - a need for improvements across one or all IPART commitments for that method needed to be considered	Measure how many of these decisions are overturned by IPART and how often. Ensure the KPI is checked perhaps quarterly (rather than annually) to address issues quickly given the amount of industry risk involved and certainly around the method to support healthy uptake
Inform	Gaps in awareness – eg if stakeholders are not aware of key aspects of any aspect of the program		
Consult	Stakeholder feedback survey following a consultation: enough time to participate, ability to provide meaningful responses with resources available (eg concerns with modelling parameters cannot to effectively challenged without expensive independent modelling not readily available to industry – recent ESS Lighting Survey a case in point.) Due process followed – a case in point, ESIA participated in a Lighting Survey interview and the Independent consultant report was issued less than four hours later.		Results of consultation survey
Respond	Respond to telephone calls, emails	Faster response times Consistent referencing – eg in email headings Management of email trails Storage and retrieval capability of communication exchanges	Time taken in days/weeks to respond to ACP, auditor and MVP queries
Make timely decisions (*)	Audit timeframes Audit success/fail rates Certificate error rates	Shorter duration (Some audits take months with no regard for business liquidity impacts)	Publish averages quarterly in aggregate including, by method: <ul style="list-style-type: none"> • Time taken (days in audit) • Success/fail (and whether audit proceeds further eg to formal Appeals Process and final outcome) • Certificate error rate (and what type of correction occurs eg more or less certificates, any penalty applied) • Any reversal of decisions, reasons and impacts to all parties, including certificate values and where this amount is to be / has been retrieved from (ie cost has currently been worn by the ACP as after a couple of years, it is very difficult to seek capital back from an end customer)
Make	Establish and adhere to a process for		Following of due process

information available and accessible in a timely manner	publishing decisions and their rationale Timely publishing		Time taken in days/weeks to respond to published new guidance, outcomes of audit and the manner in which the information is conveyed and stored for quick retrieval etc
Other parties:	Who are these stakeholders bound by the Charter? Different measures, opportunities for improvement and KPIs may apply		
ACPs ?			
Auditors ?			
MVPs ?			
Both/all parties:			
Share knowledge and ideas	Current forum formats are not conducive to this: small break out groups are essential as are regular technical workshops (Refer to ESIA Recommendations Update, Nov 2020		Forum feedback and suggestions for improvement can be surveyed after each key initiative
Provide timely, clear, accurate information			Document management standards will support this (correct dates and intuitive archive retrieval ie on the ESS website, and use of push notifications of new information etc.
Be respectful, fair and empathic			Provide a mechanism for reporting of inappropriate behaviour and a mechanism for escalation and review.
Be open to ideas and solutions		This needs to be multi-directional and engage all key stakeholders	
Meet best practice benchmarks		If the benchmarks are not met, what are the implications? It is industry that will suffer if benchmarks are not met by the government entities.	If ACPs fail to meet best practice they will be proportionately penalised (eg in the case of fraud with a fine or stripping of accreditation etc).

(*) **In reference to the table above, line item: Make timely decisions:** this ‘Commitment’ needs to be applied to, at a minimum, tracking of audit timeframes for all types of methods, not just M&V (where many delays currently persist). Notably, the time taken from approval by IPART of an M&V Detailed Scope of Works to audit close out (currently this can take months). This tracking and benchmarking will require consistent and retrievable information to be tracked for the time taken for each stage of audit, which can be published, in aggregate to protect privacy. This data will reveal where sticking points are (eg with any stakeholder – IPART, ACP, auditor, independent MVP) and so help to inform improvements to engagement, processes, resourcing of all parties and most importantly drive best practice improvements for all stakeholders, ultimately enabling energy savings to be delivered most efficiently and effectively.

Appendix A – NSW Government Customer Commitments

This is an excerpt from <https://www.nsw.gov.au/customer-experience-unit>

The Customer Commitments are our promise to customers. We have used customer research and input from staff across the NSW Government to develop the Customer Commitments. The Commitments give a clear picture of what customers should expect when receiving government services.

We work with government agencies to embed these commitments into how the public service delivers services so that customers will feel a real difference in their day to day lives.

The Customer Commitments:

- **Easy to engage:** Make it easy to access what I need. Make it simple for me to understand.
- **Act with empathy:** Show you understand my situation. Treat me fairly and with respect. Provide service in my time of need.
- **Respect my time:** Tell me what I need to know beforehand. Minimise the need for me to repeat myself. Make what I need to do straightforward.
- **Explain what to expect:** Be clear about what steps are involved. Contact me when I need to know something. Let me know what the outcomes could be.
- **Resolve the situation:** Be accountable for your actions. Be clear in decision-making. Reach an outcome.
- **Engage the community:** Listen to the community to understand our needs. Ask how we want services delivered.

Identifying opportunities to improve service delivery:

We investigate customer experience and satisfaction with government services at a whole-of-government level and uses these insights to identify where government can improve service delivery.

We carry out one in-depth annual survey that measures satisfaction with NSW Government services overall, as well as quarterly pulse check surveys. See the surveys under the 'Further information' section below.

We also research issues relating to service delivery that government agencies can use to improve existing services or develop new services.

Research to date has included:

1. staff capability
2. complaints
3. privacy and digital security
4. understanding our employees' views on improving customer service.

Evaluation Report of Customer Commitments

The methods of evaluation and recent reports are located at the bottom of the above-referenced page, with the latest report at <https://www.nsw.gov.au/sites/default/files/2020-06/DCS-OCSC-2019-q4-QPCS-Summary-Report.pdf>. These provide crucial insights and considerations for the ESS Customer Charter.

For more information regarding this submission, please email comns@esia.asn.au

Notes: