



Independent Pricing and Regulatory Tribunal
New South Wales

Accredited Certificate Provider **Application Guide**

CONSULTATION DRAFT

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1 About this document

The NSW Energy Savings Scheme (**ESS**) seeks to reduce energy consumption in NSW by creating additional 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 consumption and 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

Energy savings can be achieved by installing, improving or replacing end-user equipment. Persons 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 As Scheme Administrator, IPART is responsible for assessing applications to be an ACP and setting any conditions of accreditation. This document provides guidance to applicants on the obligations of ACPs, how to apply and the types of conditions that may be set.

We refer to the guidance in this document when determining applications for accreditation. However, we are not bound by this guidance and assess each application on a case-by-case basis, depending on the specific circumstances.

This document is a guide only and is not legal advice.

The legislative requirements for ACPs participating in the ESS are set out in:

- ▼ Part 9 of the *Electricity Supply Act 1995* (**Act**)
- ▼ Part 6 of the *Electricity Supply (General) Regulation 2014* (**Regulation**), and
- ▼ the *Energy Savings Scheme Rule of 2009* (**ESS Rule**).

ACPs are also required to meet requirements set out in our guidance documents, and conditions of accreditation set out in the Accreditation Notice for each accreditation.

You can find information about the ESS on our website at www.ess.nsw.gov.au. The section titled 'How the scheme works' provides an overview of the ESS, what it is, how to be involved and who is involved. The section titled 'How to apply for accreditation' provides information and documents relevant to applicants.

¹ Act, section 98(2)

² Act, sections 153(2) and 151(2)

2 Applicants should review our information before preparing an application

Applicants seeking accreditation in the ESS must demonstrate their ability to successfully participate in the scheme by providing information that shows they meet the eligibility requirements. Applicants need to clearly describe how they will deliver the proposed energy saving activity and provide information about their policies, processes and systems that will support their compliance with ESS requirements. This section details the information that we provide to applicants to assist them to understand the ESS requirements.

2.1 Applicants should read the guidance material before applying

We produce various guidance documents to provide essential information for applicants and outline the requirements and obligations of ACPs. Before deciding to apply for accreditation and proceeding with an application, applicants should read our guidance documentation in order to understand the ESS requirements. We regularly update our guidance documents to reflect changes to the legislative framework, clarify requirements or in response to systemic compliance issues. Applicants should ensure that their application documentation, systems, processes, and record keeping arrangements meet the current requirements of the ESS legislation and guidance.

Accredited Certificate Provider Compliance Guide: Provides guidance on our approach to supporting ACP's compliance with ESS requirements and managing non-compliance of ACPs.

Record Keeping Guide: Provides guidance and sets out requirements for collecting and retaining the required records to support ESC creation in accordance with the ESS Rule and an ACP's conditions of accreditation.

Method Guides: Provide guidance on the use of the calculation methods and sub-methods in the ESS Rule.

Audit Guideline and *Audit Scope:* Provides guidance for both ACPs and auditors on the audit process, requirements and audit scope.

ESS notices: Informs stakeholders, including ACPs and current applicants, of changing requirements or important new information. We advise stakeholders by email when we release a new notice, however stakeholders are encouraged to regularly check the [ESS notices and updates page](#) on the ESS website.

Templates: We publish various templates to support ACPs' compliance with requirements. Some templates are mandatory, such as the *Nomination Form Templates*, while we provide other templates to assist ACPs to develop records to support their ESC creation. You can find information about templates on the relevant [method pages](#).

2.2 We provide online systems and calculation tools

We provide a range of online systems and tools to increase administrative efficiency for IPART, ACPs and auditors.

ESS Portal: A web-based system that allows ACPs to maintain their contact details and user accounts, view the details of their accreditation(s) (including the Accreditation Notice), submit and view implementation data, manage audits, and track key ESS events.

ESS Registry: A web-based system that records information about ACPs, accreditations and ESCs as required by the ESS legislation. It provides for the registration, transfer of ownership, forfeiture and surrender of ESCs by ACPs, scheme participants and other parties. Members of the public may also own ESCs and view information about ACPs and ESCs.

ELT Portal: A web-based system that allows for ACPs and lighting suppliers to apply for the acceptance of emerging lighting technologies (ELTs), such as LEDs and induction luminaires, used under the Commercial Lighting Energy Savings Formula.

Commercial Lighting Calculation Tool: An excel-based calculation tool to help ACPs calculate energy savings for the Commercial Lighting Energy Savings Formula. ACPs may choose to use the commercial lighting calculation tool or develop their own tool. The tool is not compatible with all systems and is provided on an unsupported basis.

HEER Lighting Requirements Tool: An excel-based tool that ACPs may use to determine how to meet the lighting requirements for the Home Energy Efficiency Retrofits method.

2.3 There are other sources of information

In addition to our guidance documents, systems and tools discussed above, we also provide information through other forums.

ESS newsletter: We publish a quarterly ESS newsletter which provides important information about the ESS to stakeholders. We automatically add the ACP's primary contact to the newsletter distribution list. Anyone can subscribe or unsubscribe to the newsletter via the ESS website.

Online workshops and stakeholder forums: We host regular workshops and forums to give ACPs and applicants a practical understanding of how the ESS works and what is involved when making applications and participating in the ESS. We also hold stakeholder forums to open a broader dialogue between IPART, ACPs, auditors and other stakeholders. Participation in workshops and events is optional and free.

The Office of Environment and Heritage also provides additional guidance and tools for ACPs to use in relation to certain methods, including for the Project Impact Assessment with Measurement and Verification (PIAM&V) and the Home Energy Efficiency Retrofits methods. You can find more information on the relevant [calculation method pages](#).

2.4 Things to consider before preparing an application

Read the sections on the ESS website and the guidance documents outlined above to ensure that your application addresses all requirements.

Participate in the optional free online workshops described above. [Online workshops](#) are designed to give a practical understanding of how the ESS works and what is involved when applying and participating.

Consider whether, rather than applying for accreditation, it would be better to work with an existing ACP. Consider the costs and obligations of participation as an ACP, such as ongoing auditing, reporting and administration costs for accreditation, as well as costs to register ESCs.

Determine the scope of the Recognised Energy Saving Activity (**RESA**) and clearly define the activity boundaries to determine whether it is eligible as a RESA. It may be helpful to contact us (via email: ess_applications@ipart.nsw.gov.au) if you require clarification of any requirements.

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3 ACPs have certain obligations under the ESS

ACPs have a number of obligations established by the ESS legislation, Scheme Administrator requirements and the conditions of accreditation. This section sets out some of these obligations. This is not an exhaustive list and is not a substitute for reviewing the Act, the Regulation, the ESS Rule, relevant guidance documents and the Accreditation Notice for the accreditation. We request that applicants provide information about their organisations and proposed RESAs to ensure successful participation in the ESS and to manage risks to applicants, their customers and the scheme.

3.1 ACPs must comply with their conditions of accreditation

When we accredit an ACP we issue it with an Accreditation Notice that sets out the conditions of accreditation it must comply with, including:

- ▼ the RESA that the ACP is accredited for
- ▼ the method that the ACP must use to calculate energy savings
- ▼ the number of ESCs that an ACP may apply to register
- ▼ record keeping, reporting, insurance and auditing requirements, and
- ▼ any special conditions.

We issue an Accreditation Notice for each accreditation under the ESS. New ACPs should carefully read their Accreditation Notice(s) (available on the ESS Portal) as it contains important requirements. It is an offence for an ACP to contravene any its conditions of accreditation and significant penalties may apply. Contraventions also form part of an ACP's compliance record (which we may consider when making decisions about an ACP), may lead to the imposition of further conditions of accreditation and may be publicly reported (including in our Annual Report to the Minister). An ACP may apply for amendment to its conditions of accreditation. Refer to the *Accredited Certificate Provider Compliance Guide* for further information.

3.2 ACPs may register, transfer and surrender ESCs

ACPs may create ESCs for the activities for which they are accredited if they meet all the relevant requirements of the ESS Rule. The Accreditation Notice sets out the limits on the number of ESCs that ACPs may register for each accreditation. ACPs must apply for the registration of ESCs by submitting implementation data through the ESS Portal and paying the ESC registration fee. More information is available on the [website](#).

We may require ACPs to:

- ▼ set-aside a portion of the ESCs they register until an audit of those ESCs has been completed (refer sections 3.9 and 5.4), and

- ▼ conduct an audit of ESS activities before applying for the registration of ESCs ie, a pre-registration audit (refer section 5.1).

ACPs may only register ESCs in relation to the calendar year in which the energy savings occurred, or were deemed to occur (referred to as the 'vintage' of the ESC). Under some methods, ACPs may calculate the energy savings for a number of years into the future and forward create ESCs, before the energy savings occur. ACPs can only apply to register ESCs up until six months after the end of the vintage year (ie, by 30 June of the following year). If the ACP misses the deadline, then they will not be able to register those ESCs.

We may order an ACP to surrender ESCs if we find the ACP has contravened the ESS requirements. We may also require ACPs to surrender ESCs under a set-aside Deed or undertaking (refer sections 3.9 and 5.4).

ACPs must register ESCs on the ESS Registry, where information about each ESC, its status, creator and ownership history is publicly available. When the ownership of an ESC changes, the owner must apply to register the transfer of ownership on the ESS Registry (eg, if the ESC is sold) and the new owner must confirm (ie, accept) the transfer of the ESC. For more information on using the Registry, refer to the Registry pages on the [ESS website](#).

3.3 ACPs must conduct independent audits

Most ACPs are required to engage an auditor to conduct independent audits of their participation in the ESS. Audits must be conducted by [a member of the Audit Services Panel](#). The Accreditation Notice sets out the requirements for when ACPs must conduct independent audits. Before an audit can commence, we approve the audit scope against the requirements specified in the [Audit Guideline](#) and [Audit Scope - ESC creation audits](#). Audits typically cover:

- ▼ energy saving calculations and subsequent creation of ESCs
- ▼ compliance with conditions of accreditation and the ESS Rule
- ▼ record keeping arrangements, and
- ▼ additional audit checks (as required).

A successful audit is one where the auditor provides either reasonable assurance or qualified reasonable assurance, with no material error (either qualitative or quantitative) or unimplemented audit recommendations.³ An audit that identifies a material error or unimplemented audit recommendation is considered to be a 'failed audit'.

ACPs must provide all information and assistance necessary to comply with any audit, including providing access to premises. In most cases the ACP must engage and pay for the audit however in some cases we will engage an auditor, eg, to undertake detailed investigation of potential non-compliance. For more information on audits, refer to section 5.1 of this document, the [Accredited Certificate Provider Compliance Guide](#), the [Audit Guideline](#) and the [Audit Scope - ESC creation audits](#).

³ An 'unimplemented audit recommendation' is a recommendation from a previous audit that has not been implemented by the ACP by the time of a subsequent audit. This was previously referred to as a 'repeat recommendation'.

3.4 ACPs must keep contacts, company details and insurance up to date

3.4.1 Maintaining company information and contact details on ESS systems

ACPs are responsible for maintaining their company information, contact details and user accounts on the ESS Portal and ESS Registry. We send ACP-related communication, such as the Accreditation Notice, to the ACP's identified 'primary contact' via the ESS Portal. The primary contact must work within the ACP's organisation and have authority to act on behalf of the organisation regarding the accreditation. For example, the primary contact must have authority to:

- ▼ deal with ESCs, such as their registration, transfer and surrender on the ESS Registry (refer section 3.2), and
- ▼ sign undertakings and deeds relating to audits and the set aside of ESCs, or be in a position to arrange for these to be signed (refer sections 3.3 and 3.9).

For more information, refer to the [ESS Portal](#) and [ESS Registry](#) pages on the ESS website.

3.4.2 Notifying us of changes to company details and insurance

ACPs must notify us when:

- ▼ there is a change to the principal place of business
- ▼ the name of the ACP changes
- ▼ there are changes to the Director(s) or Secretary
- ▼ a winding-up order or resolution is made in respect of an ACP, or
- ▼ a liquidator, controller or administrator is appointed.

ACPs must notify us of these events in writing and include supporting documents, such as a Current Company Extract (that is less than four weeks old) and/or other relevant evidence by emailing ess_compliance@ipart.nsw.gov.au. The required timing for notification is set out in the Accreditation Notice. ACPs may purchase Current Company Extracts from the Australian Securities and Investments Commission (ASIC) or an ASIC approved information broker.

We may require some ACPs to hold public and product liability insurance. Where this is required, the ACP must provide us with certificates of currency of all insurance when that insurance is reissued, renewed or changed. If third party representatives perform any aspects of the RESA, the ACP must also provide certificates of currency of relevant insurances held by their representatives.

3.5 ACPs are responsible for the conduct of their representatives

ACPs are accountable for all ESS activities conducted by their employees, contractors, representatives or other third parties. This includes all aspects of an activity for which ACPs create ESCs, from the initial engagement with customers through to the final quality assurance of documents. We hold ACPs responsible for all actions, omissions and

information provided by representatives acting on their behalf under the ESS – regardless of any contract or agreement with other parties.

We have established minimum requirements for the conduct of ACPs and their representatives. These include responsibilities for:

- ▼ training representatives
- ▼ maintaining a register of representatives
- ▼ ensuring there is a formal, documented, signed and enforceable (legally binding) contract or agreement in place for each representative, and
- ▼ providing appropriate customer service.

If a third party working with an ACP fails to perform their role in accordance with the ESS requirements and this results in ESCs being identified as improperly created, we will usually require the ACP to forfeit an equivalent number of ESCs, either voluntarily or through an order issued by the Scheme Administrator. We may also refer the matter to an enforcement officer to decide if it is appropriate to issue a penalty notice in the circumstances. Further details on the mechanisms that we may use to address non-compliance are set out in section 3.3 of the *Accredited Certificate Provider Compliance Guide*.

Relevant requirements are set out in *ESS Notice 01/2013 (amended July 2014) Minimum requirements for conduct of persons acting on behalf of ACPs*. Compliance with this notice is required under each Accreditation Notice.

3.6 ACPs must keep records to support ESC creation

ACPs must keep records of their energy saving activities, including, at a minimum:

- ▼ the location at which the RESA was implemented
- ▼ the energy savings (calculated in accordance with the ESS Rule) arising from implementation of the RESA
- ▼ the methodology, data and assumptions used to calculate those energy savings, and
- ▼ any other records required by the Scheme Administrator.

An ACP's records and record keeping systems may be subject to independent audits (refer section 3.3).

ACPs must retain records for six years after the relevant ESCs are registered and we may require an audit of an ACP's record keeping arrangements when they stop participating in the scheme.

For more information on record keeping, refer to the relevant [method guide](#) and the *Record Keeping Guide*.

3.7 ACPs must advise if they are in a corresponding scheme

ACPs must provide us with a Corresponding Scheme Notice if they were eligible, cease to be eligible, or become eligible under a Corresponding Scheme (eg, the Emissions Reduction Fund) for the energy savings arising from implementation of a RESA. ACPs must retain a copy of the Corresponding Scheme Notice and any supporting documentation for audit purposes.

Refer to the ESS website for the [Corresponding Scheme Notice form](#) and information on how to submit a Corresponding Scheme Notice.

3.8 ACPs are not to use the IPART logo

ACPs may include information that explains how the ESS operates and provide a link to the [ESS website](#) on their website or documentation. However, ACPs and their representatives are not permitted to use the IPART logo on their website or other documentation. ACPs and their installers are not, and cannot purport to be, representatives of the NSW Government.

In addition, the NSW Government limits the use of their logo. For further information, please refer to the [NSW Government Copyright Statement](#) and the [ESS Privacy and Disclaimer Statement](#).

3.9 Applicants and ACPs may enter into agreements to set aside ESCs

Undertakings and set-aside deeds are agreements between an ACP and IPART that require ESCs to be withheld from transfer or surrender pending the finalisation of an audit. They are designed to protect the integrity of the ESS and ensure that ESCs reflect valid energy savings. We use two types of set-aside agreements: undertakings and set-aside deeds. We typically apply undertakings to new accreditations and require applicants to sign them prior to accreditation. We may also apply set-aside deeds to existing accreditations.

Undertakings require ACPs to withhold or set-aside a percentage of ESCs (up to 20%) from sale or trade until an audit has confirmed that they were created in accordance with ESS requirements. If the auditor makes a final finding that all ESCs are valid, we release the set-aside ESCs and the ACP is free to trade them. If the auditor makes a final finding that some ESCs were improperly created, we may request that the ACP surrender the improperly created ESCs (and may face further action). If the ACP refuses to surrender improperly created ESCs, we may order the ACP to surrender them under section 142 of the Act and may take further action.

Typically, the set-aside amount starts at 10% and we may reduce or increase it in response to post-registration audit results. Each undertaking agreement sets out the percentage of ESCs that must be set aside and how that amount may change. Refer to the [Accredited Certificate Provider Compliance Guide](#) for information about how the set-aside percentage may change in response to audit results (this guide also explains when an ACP may be asked to sign a set-aside deed). We note that the set-aside percentage may differ depending on the requirements of each set-aside deed.

When ACPs register ESCs on the ESS Registry, we place a number of ESCs equivalent to the current set-aside proportion on 'administrative hold' which restricts them from transfer or surrender. The ESCs remain on administrative hold until we determine that an audit of those ESCs has identified them as valid.

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4 The application process

The application for an accreditation process typically takes around three months but can be completed more quickly if the application is complete and addresses all requirements. This section describes the five steps of the application process.

4.1 Complete application forms and gather supporting documentation

There are two application forms that applicants must complete:

- ▼ [Application for Accreditation - Part A](#) (General Details), and
- ▼ [Application for Accreditation - Part B](#) (Method Details).

To ensure we have sufficient information to assess the application, **complete all sections of the application forms with relevant information.** The application forms set out the supporting information to attach with the application.

Appendices A and B provide information and instructions to assist applicants in preparing and completing the application forms and supporting documentation.

4.2 Submit the application to IPART

Applicants must submit the application package electronically as follows:

- ▼ by email to ess_applications@ipart.nsw.gov.au, or
- ▼ compiled on USB or CD and posted to: Energy Savings Scheme, IPART, PO Box K35, Haymarket Post Shop NSW 1240, with an email notification to ess_applications@ipart.nsw.gov.au advising that it has been posted.

We do not accept applications via Google documents, Dropbox or similar online applications. All documents must be easily accessible, not password protected and provided in commonly used file formats, such as Word, Excel, Adobe, JPEG, etc.

4.3 We assess the application for completeness

When we receive the application, we review it to ensure that it is complete and that all necessary information has been provided. If the application is incomplete, we will request the missing information which must be provided before we can proceed any further.

Once we determine that the application is complete, we will issue an invoice to the applicant for the non-refundable application fee of \$2,500. The application fee may not be required if the applicant can demonstrate that the application meets all of the following criteria:

- ▼ the applicant previously submitted an application for the same activity but subsequently withdrew it

- ▼ the applicant submitted the new application within six months of the date the first application was withdrawn⁴
- ▼ the applicant paid the application fee for the withdrawn application and we issued no more than one request for further information (RFI), and
- ▼ the applicant's new application addresses any issues previously identified by us (eg, through an RFI).

4.4 We assess the application against ESS requirements

When we receive the application fee, or determine that it is not required (refer to section 4.3), we accept the application as lodged and assign it to an analyst for assessment.

We assess the information in the application against the requirements of the Act, the Regulation, the ESS Rule and relevant guidance documents (refer to section 2 of this document). It is the responsibility of the applicant to provide sufficient information to satisfy us that they meet all of the requirements to be eligible for accreditation.⁵

We are not able to provide assistance with, or feedback on, the application, but may require the applicant to provide further information or clarification of the information. In this case, we will issue a formal RFI. This will include details of the information that is required and a deadline for a response. Applicants that are unable to meet the deadline for provision of information can seek an extension by emailing us the reasons for the extension at ess_applications@ipart.nsw.gov.au.

In many cases we will issue a second RFI, usually where the applicant's response to the first RFI is insufficient or raises new issues. We may also issue RFIs if the requirements change, eg, where the ESS Rule is amended after the initial application was made.

We base the decision on whether to accredit an applicant on all of the information provided throughout the application process. The application process is much quicker for high quality applications where only short RFIs, or even no RFIs, are required. A high quality application is one which addresses all of the questions in the application forms, includes all required information, clearly and succinctly explains the processes and procedures, and is clear, understandable and logically presented. This is particularly important for applicants intending to use third party installers to implement the RESA. Applicants must provide sufficient information to satisfy us that the third parties will also implement the RESA and collect records in accordance with ESS requirements.

4.5 We inform the applicant of the outcome

Each application has one of two outcomes. We either accredit the applicant and provide them with their accreditation documentation (refer to section 5); or we don't accredit the applicant because:

- ▼ we are not satisfied they are eligible

⁴ This is the date of the email from IPART that acknowledged the withdrawal of the application.

⁵ See clause 38 of the Regulation.

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- ▼ the application was not duly made, or
 - ▼ the applicant failed to give a satisfactory undertaking under clause 40(b) of the Regulation.

If we are considering refusing an application for accreditation, we will first notify the applicant of our intention and provide them with an opportunity to respond to the issues before making a final decision. If we refuse the application, we will provide a detailed statement of reasons for the decision.

Applicants that we refuse to accredit may apply for internal review of the decision within 28 days. Applicants that are accredited may also seek internal review of the decision to set conditions of accreditation. The written notice of the decision will include information on how to seek internal review.

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5 Important information about accreditation

Accreditation under the ESS creates both benefits and obligations for ACPs. ACPs are able to create ESCs from implementation of their RESA (refer section 3.2), however we will typically place limits on the number of ESCs that ACPs can register and will require most ACPs to conduct regular independent audits (refer section 3.3). We may also require ACPs to set aside a portion of the ESCs that they register until an audit of those ESCs has identified them as valid (refer section 3.9).

When we accredit an applicant, we assign an audit regime and ESC creation limit which are set out as conditions of accreditation in the Accreditation Notice (refer section 3.1). We consider each application for accreditation on a case-by-case basis, and therefore assign an audit regime and ESC creation limit that we consider most appropriate to manage the risk of non-compliance, particularly the risk of improper ESC creation.

This section details our typical approach when setting these conditions, and explains how we use set-aside agreements to mitigate the risk of improper ESC creation.

5.1 We set the audit regime based on certain aspects of the application

There are five different types of audit regimes that we may apply to an accreditation. The type of audit regime that we apply depends on the nature and scope of the RESA being undertaken and the risk of non-compliance due to:

- ▼ the method the applicant intends to use to calculate the energy savings
- ▼ whether the applicant (or a Related ACP) has a compliance record in the ESS, or is new to the ESS
- ▼ whether the applicant agrees to enter into an undertaking or set-aside deed (refer sections 3.9 and 5.4)
- ▼ any current or emerging scheme compliance issues, and
- ▼ other information we have determined to be relevant to the application.

Table 5.1 sets out the type of audit regimes that we may apply and the typical situations in which we apply them. We assign most accreditations with either a pre-registration, volumetric or periodic audit regime. However, in specific circumstances, we may apply a spot or single audit regime. If the first audit is successfully completed, we may adjust the audit regime based on the ACP's compliance performance (refer to the *Accredited Certificate Provider Compliance Guide*).

Table 5.1 Types of audit regimes

Audit type	Description	Typical usage
Spot ⁶	<ul style="list-style-type: none"> ▼ Spot audits are the minimum audit regime specified in all Accreditation Notices. ▼ We can require this audit at any time, without notice. We may do so whenever we consider an audit is required, such as when we identify changes in the risk profile of the ACP or RESA, or require increased certainty of ongoing valid ESC creation. 	<p>Where the:</p> <ul style="list-style-type: none"> ▼ applicant will be the original energy saver ▼ applicant estimates low numbers of ESC creation, and ▼ RESA will be implemented at a single site or a defined list of sites.
Single	<ul style="list-style-type: none"> ▼ A single audit is a one-off audit conducted after ESCs are registered. ▼ We may specify this audit regime if we are uncertain of the ongoing audit requirements at the time of setting the audit condition. ▼ After the audit, we may amend the audit regime to a spot, periodic or volumetric audit regime, depending on the results of that audit. 	<p>Where the applicant:</p> <ul style="list-style-type: none"> ▼ will be the original energy saver, or ▼ expects to only create ESCs once (eg, when using MBM or the PIAM&V method).
Periodic	<ul style="list-style-type: none"> ▼ Periodic audits are conducted after the ACP registers ESCs and must be completed or commenced by the ACP at a specified interval/time. ▼ We limit the number of ESCs that can be registered by determining how many can be registered per time period (eg, per year) or for the life of the RESA ('the ESC creation limit'). ▼ Generally, the initial periodic audit regime is annual (so the initial audit is required one year after accreditation). However, we may also set a biennial audit regime. ▼ We may decrease the frequency of audits with ongoing ACP compliance. Refer to the Accredited Certificate Provider Compliance Guide for more information. 	<p>Where the:</p> <ul style="list-style-type: none"> ▼ RESA will be implemented at a single site or a defined list of sites, and ▼ applicant expects low-frequency ESC creation from the RESA (eg, creates ESCs annually using MBM or the PIAM&V method).
Volumetric	<ul style="list-style-type: none"> ▼ Volumetric audits are conducted after the ACP registers ESCs. ▼ A volumetric ESC creation limit sets the number of ESCs that the ACP may register before an audit is required. An audit is required once the ESC creation limit is reached, but may be done early to aid business continuity. ▼ Volumetric audit regimes typically also include a periodic requirement for at least one audit to be conducted per year. ▼ We may increase the number of ESCs the ACP may register between audits with ongoing compliance. Refer to the Accredited Certificate Provider Compliance Guide for more information. 	<p>Where the:</p> <ul style="list-style-type: none"> ▼ RESA will be implemented at multiple unidentified sites, or involves multiple energy savers (eg, when using the deemed energy savings methods) ▼ applicant expects frequent ESC creation (eg, a number of times through the year), and ▼ periodic auditing is considered too infrequent to identify potential improper ESC creation in a timely manner.

⁶ Spot audits apply to all ACPs. In some cases that may be the only audit regime that is applied. Spot audits are also the regime that is typically applied to applicants proposing to use the NABERS MBM.

Audit type	Description	Typical usage
Pre-Registration	<ul style="list-style-type: none"> ▼ Pre-registration audits are conducted before the ACP registers ESCs. ▼ An ACP may choose to do a pre-registration audit to enable it to register additional ESCs beyond its volumetric ESC creation limit.⁷ ▼ We may mandate this as the only audit regime in some cases (eg, in response to non-compliance). Refer to the <i>Accredited Certificate Provider Compliance Guide</i> for more information. 	<ul style="list-style-type: none"> ▼ Applicants that are new to the scheme, ie, that don't have an ESS compliance record. ▼ Applicants with other ESS accreditations but no compliance record. ▼ Where the applicant was not able to provide sufficient information in the application for us to properly assess the risk of improper ESC creation.

5.2 We limit the number of ESCs that can be registered

We place a limit on the number of ESCs that an ACP can apply to register by either:

- ▼ setting the maximum number of ESCs that can be registered between audits (ie, a volumetric ESC creation limit)
- ▼ setting the maximum number of ESCs that can be registered in a particular period (usually annually), or
- ▼ setting the maximum number of ESCs that the ACP may register for the life of the RESA.

The type and size of the limit depends on the nature of the RESA being undertaken (eg, multi-site or single site), the calculation method being used, the expected volume and frequency of ESC registration, the ACP's compliance record (if applicable) and any other relevant factors.

The audit regime and ESC creation limit are related, and in some cases directly linked to each other, eg, under a volumetric audit regime an audit must be conducted after an ACP registers a certain number of ESCs. We monitor and manage ACPs' compliance with their ESC creation limits in the ESS Registry.

Section 5.3 explains how we typically determine ESC creation limits.

5.3 We set the ESC creation limit based on certain aspects of the application

We assess the information that an applicant provides during the accreditation application process to determine the level of confidence we have in ongoing compliance, particularly the likelihood of improper ESC creation. Our approach varies depending on whether or not the applicant has a compliance record with the ESS. A compliance record exists when an applicant (or any Related ACPs) has one or more existing or cancelled accreditations. If an applicant has other accreditations but has not completed any audits and has no recorded non-compliances, they are regarded as having no compliance record with the ESS.

⁷ As long as this is within any other ESC registration limits the ACP may have, eg, such as a life limit.

5.3.1 For applicants with a compliance record in the ESS

An application for accreditation may be from an ACP that is, or has been, accredited for other RESAs with an established compliance record under the ESS. Where this is the case, we consider this record as the most relevant basis on which to assess future compliance behaviour under the new accreditation. We determine the initial ESC creation limit for a new accreditation by following four steps:

1. assess the compliance record and other factors, and apply a confidence rating to each of these factors (either high, medium or low)
2. assign points and weightings to these ratings to give an overall score
3. consider other factors that may be relevant to the application for accreditation, and
4. determine the initial ESC creation limit that would typically be applied, based on the overall score. In some cases this assessment results in a change from the typical audit regime that would be applied (refer section 5.1).

A description of this process is outlined below.

Step 1 – Assess risk factors and apply confidence ratings

We consider and rate four factors that relate to the risk of non-compliance associated with an application:

- ▼ the applicant's compliance record in the ESS
- ▼ the number of sites at which the RESA will be implemented
- ▼ whether the applicant will be the original energy saver or the nominated energy saver, and
- ▼ the energy savings calculation method to be used.

Table 5.2 provides more information on each of these factors, and Table 5.3 sets out the criteria we use to rate each factor.

Table 5.2 Factors we consider for applicants with an ESS compliance record

Factor	Description
Compliance record	This is the applicant's track record in the ESS, including, but not limited to, its performance in audits and reporting, and other factors such as its responsiveness to requests. An applicant with a good compliance record is likely to have a lower risk of non-compliance than an applicant with a poor compliance record. The compliance record includes all accreditations of the applicant and those held by its Related ACPs (for example, ACPs with the same office holders as the applicant).
Number of sites	In general, when a RESA is undertaken at a single site, audit findings will be more accurate because sampling at site level is not required (though sampling of documents for a site may still occur). The risk of non-compliance increases if the RESA is implemented across multiple sites and sampling is required.
Original or nominated energy saver	When the applicant is the original energy saver there is more incentive for it to implement the RESA in a way that achieves genuine energy savings as it will directly benefit from the savings, which reduces the risk of non-compliance. A nominated energy saver is seen as higher risk as it will typically be focused on ESC revenue rather than genuine energy savings.

Factor	Description
Calculation method	We consider the nature of the ESC calculation method and the inherent risks of non-compliance posed by the method.

Table 5.3 Criteria for allocating confidence ratings for applicants with an ESS compliance record

Factor	Confidence rating		
	High	Medium	Low
Compliance record (for the most recent audit/s)	Two successful audits ^a and No other significant compliance issues in the last 12 months ^b	One successful audit and No other significant compliance issues in the last 12 months	One or two failed audits (of the two most recent audits) or One or more significant compliance issues in the last 12 months
Number of sites	Single identified site	Multiple identified sites	Multiple unidentified sites
Original or nominated energy saver	Original energy saver	N/A	Nominated energy saver
Calculation method	MBM (NABERS baseline) MBM (other) PIAM&V (annual creation)	PIAM&V (forward creation)	Deemed energy savings methods MBM (aggregated metered baseline) PIAM&V (with sampling)

^a A successful audit is one where the auditor provides either reasonable assurance or qualified reasonable assurance, with no material errors or unimplemented recommendations.

^b A significant compliance issue may include, but is not limited to, matters such as: not completing an audit in accordance with a condition of accreditation, not providing information required by the Scheme Administrator, or ESC calculation or registration errors identified outside of the audit process.

Step 2 – Assign points and weightings to determine the overall score

Once we have allocated a confidence rating for each factor, we score and weight these ratings as shown in Table 5.4, to give an overall score for the proposed accreditation. The highest weighting applies to the applicant’s compliance record – making up half the overall score – because in our experience this is the best indicator of future compliance behaviour.

Table 5.4 Points and weightings for determining the overall score

Confidence rating	Factor and points				Total possible maximum score
	Compliance record	Number of sites	Nature of energy saver	Calculation method	
High	3	3	3	3	18
Medium	2	2	N/A	2	
Low	1	1	1	1	
Weighting	3	1	1	1	
Maximum possible points	9	3	3	3	

The overall score is then categorised as either ‘satisfactory’, ‘moderate’ or ‘low’ as shown in Table 5.5.

Table 5.5 Categorisation of overall scores

Category	Overall score (out of 18)
Satisfactory	≥ 12
Moderate	7 ≤ to ≤ 11
Low	≤ 6

Step 3 – Consider other factors specific to the application

We also consider any other factors relevant to the application to ensure we appropriately mitigate the risk of non-compliance, including:

- ▼ current or emerging compliance issues for the energy savings calculation method
- ▼ the applicant’s experience in delivering the energy savings method, prior to applying for accreditation (as demonstrated in the application), and
- ▼ the applicant’s understanding of the ESS and the energy savings method (as demonstrated in the application).

Step 4 – Determine the ESC creation limit

Once we have determined the overall score (as points out of a maximum of 18) and considered any other relevant factors, we set the ESC creation limit. Our typical approach for volumetric and periodic audit regimes is set out in Table 5.6. For spot, single and pre-registration audit regimes, we determine the limit on a case-by-case basis.

Table 5.6 Typical ESC creation limits under volumetric and periodic audit regimes for each category

Category	Volumetric audit regime	Periodic audit regime
Satisfactory	<p>ACP may create up to 10,000 ESCs between audits.</p> <p>First audit required within one year of accreditation.</p>	<p>ESC creation limit determined on a case-by-case basis, considering factors such as estimated annual ESC creation and the risk of improper ESC creation.</p> <p>First audit within one year of accreditation, then ongoing:</p> <ul style="list-style-type: none"> ▼ annual audits if ESC creation limit is 20,000 ESCs or more per year, or ▼ biennial audits if ESC creation limit is less than 20,000 ESCs per year.
Moderate	<p>ACP may create up to 5,000 ESCs between audits.</p> <p>First audit required within one year of accreditation.</p>	<p>ESC creation limit determined on a case-by-case basis, considering factors such as estimated annual ESC creation and the risk of improper ESC creation.</p> <p>First audit within one year of accreditation then ongoing annual audits.</p>

Category	Volumetric audit regime	Periodic audit regime
Low	ESC creation limit of 5,000 ESCs. First audit required before ESCs are registered (ie, pre-registration audit regime).	ESC creation limit determined on a case-by-case basis, considering factors such as estimated annual ESC creation and the risk of improper ESC creation. Pre-registration audit requirement.

5.3.2 For applicants without a compliance record in the ESS

Applicants without a compliance record in the ESS may either be new to the scheme, or be an existing/previous ACP without an established compliance record.

For applicants without a compliance record, our default position is to set the ESC creation limit in line with the 'low' overall score category, shown in Table 5.6. In effect, this means that the most likely ESC creation limit and audit regime for applicants without a compliance record is 5,000 ESCs and a pre-registration audit regime.

However, applicants may be able to make a case for a different ESC creation limit and audit regime by providing additional information and evidence with their application. Table 5.7 provides a list of evidence that an applicant without an ESS compliance record may provide and how we assess and score this evidence. For example, an applicant could achieve a score of eight points by providing information about its compliance record in another scheme (eg, Victorian Energy Efficiency Target, VEET) and having its business systems aligned with a Quality Management System (both supported with satisfactory/passed independent audit reports). We may then consider setting the initial ESC creation limit in line with the 'moderate' overall score category determined with reference to Table 5.5 and Table 5.6.

Table 5.7 Information required to support a case for different conditions of accreditation

Type of information	Evidence requirements and score
Satisfactory compliance record under another similar scheme, eg, VEET, RET	<ul style="list-style-type: none"> ▼ Two audit reports conducted within the last two years, both with satisfactory results = 3 points or ▼ Audit report for most recent audit conducted within the last two years, with satisfactory results = 1 point
Business systems aligned with a Quality Management Standard, eg, ISO 9001	<ul style="list-style-type: none"> ▼ Independent audit report conducted within the last year, with satisfactory results = 5 points or ▼ Independent audit report conducted within the last two years, with satisfactory results = 3 points
Recent certification or accreditation of business systems with a Quality Management Standard eg, ISO 9001	<ul style="list-style-type: none"> ▼ Evidence of certification/accreditation having been achieved within the last year = 5 points

5.4 We may require a set-aside undertaking before accreditation

Under clause 40(b) of the Regulation, we may require a person who has applied for accreditation to give an undertaking to restrict from trade, once accredited as an ACP, a percentage of ESCs registered pending the result of an audit. We typically require all new applicants seeking accreditation to enter into an undertaking prior to deciding whether to accredit that applicant.⁸ Where an applicant does not agree to enter into an undertaking, we may:

- ▼ refuse to accredit the applicant, or
- ▼ accredit the applicant but require pre-registration audits (so the ACP can only apply to register ESCs after their validity has been confirmed by an audit).

Section 3.9 explains what undertakings are and how they work.

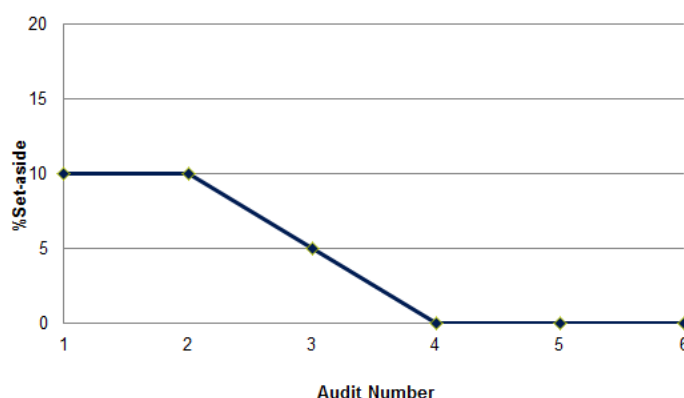
Typically, the set-aside amount starts at 10% and reduces or increases in response to post-registration audit results:⁹

- ▼ the **set-aside amount typically starts at 10%** (refer Figure 5.1.A)
- ▼ **if no quantitative material error is found in the first two audits** (refer Figure 5.1.A), the set-aside amount will typically decrease to 5% of ESC creation, and then to 0% thereafter if no quantitative material error is found in the third audit
- ▼ **if one or more quantitative material errors are found in either of the first two audits**, the set-aside amount will typically increase to 20% of ESC creation, and then decrease to 10%, 5% and 0% thereafter if each subsequent audit has no quantitative material error (refer Figure 5.1.B and Figure 5.1.C), and

if **no quantitative material error** is found in the first two audits but a quantitative material error is identified in the third or any subsequent audit, the set-aside amount will typically increase to 10% again (refer Figure 5.1.D).

Figure 5.1 How the set-aside amount changes in response to audit results

A. No quantitative material error in first two audits and subsequent audits



⁸ Refer clause 40(b) of the Regulation.

⁹ Post-registration audits are those that are conducted in relation to ESCs that have already been registered in the ESS Registry. Refer to Table 5.1 for more information on audit regimes.

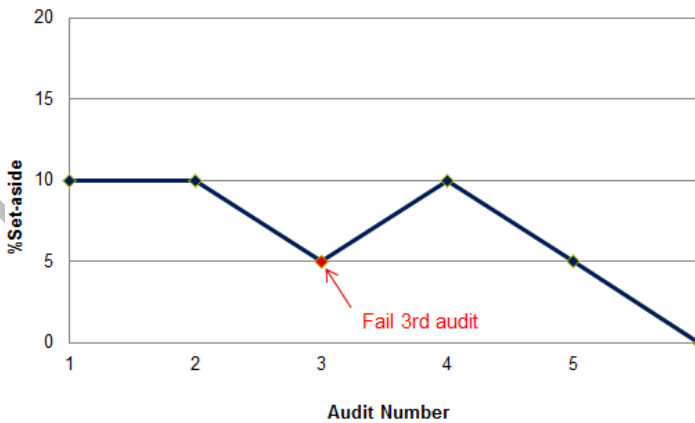
B. Quantitative material error in first audit then passes subsequent audits



C. No quantitative material error in first audit, quantitative material error in 2nd audit then no quantitative material error in subsequent audits



D. No quantitative material error in first two audits, quantitative material error in 3rd audit then no quantitative material error in subsequent audits



CONSULT

Glossary

Category	Definition
Accreditation Notice	A written notice issued by the Scheme Administrator under clause 48(1) of the Regulation specifying any conditions of accreditation.
Accredited Certificate Provider (ACP)	ACPs are voluntary participants in the ESS. They are parties that are accredited to create Energy Savings Certificates (ESCs) from carrying out Recognised Energy Saving Activities (RESAs) that increase the efficiency of electricity and/or gas consumption.
Audit	An independent assessment of whether the auditee has complied, in all material respects, with the requirements of the ESS legislation and conditions of accreditation. In relation to ACPs, audits can occur either before ESC registration (pre-registration) or after ESC registration (post-registration).
Audit History	Audit history is a subset of the ACP's compliance record. Audit history assesses how ACPs perform in all audit types, including pre-accreditation, pre-registration and post-registration audits. The audit history considers, amongst other things, the number of passed and failed audits, error rates, the number of unimplemented recommendations and the timeliness of commissioning audits.
Compliance	The extent to which an ACP meets the requirements of the Act, Regulation, ESS Rule and conditions of accreditation. This is established mainly through auditing and controls on the Registry.
Compliance record	A record of how the ACP has complied with the requirements of the ESS legislation, our guidance documents and conditions of accreditation, as well as its audit history.
Conditions of accreditation	Conditions imposed by the Scheme Administrator on the accreditation of an ACP under section 138(1)(b) of the Act and specified in their Accreditation Notice.
Energy Savings Certificates (ESCs)	A transferable certificate under Part 9 of the Act that is created in accordance with the ESS Rule, and that represents the energy savings associated with the installation, modification, replacement or removal of energy using equipment.
Failed audit	An audit that has a material error (either qualitative or quantitative) or an unimplemented recommendation.
Improperly created ESCs	ESCs not created in a way that meet the requirements of the Act, Regulation, ESS Rule and any conditions of accreditation imposed on the ACP. In general, improperly created ESCs must be forfeited by the ACP.
Material Error	A material error can either be quantitative or qualitative. A quantitative material error is when the absolute error rate (as determined by the auditor) is $\geq 5\%$. A qualitative material error is determined by the auditor; it typically relates to issues identified by the auditor that reduce their confidence that the auditee has adequate systems in place to support ESC creation.
Recognised Energy Savings Activity (RESA)	Activities that are eligible under the ESS Rule. ACPs are accredited to carry out these activities at a single site, or at multiple sites as a program of energy savings activities.
Related ACP	An ACP will be related to another ACP where the risk profile of one ACP is relevant to the assessment of the risk profile of the other. For example, ACPs that share the same office holders, are controlled by the same entity, or use the same staff, are likely to be related ACPs.
Secretariat	The Secretariat exercises the administrative functions of the ESS as determined by the Scheme Administrator and Scheme Regulator.
Scheme Administrator	Scheme Administrator means the person or body required to exercise the functions of Scheme Administrator under the Act. The Scheme Administrator is the decision making body with respect to ACPs and their ESS activities.

Category	Definition
Successful audit	An audit where the auditor provides either reasonable assurance or qualified reasonable assurance, with no material error (either qualitative or quantitative) or unimplemented audit recommendations
Unimplemented recommendation	Recommendation in an audit report that is identified as not implemented in a subsequent audit report.

CONSULTATION DRAFT



Appendices

CONSULTATION DRAFT

A Instructions: Application for Accreditation – Part A

This section provides information to assist applicants in preparing and completing the application forms and supporting documentation. Key information is also included in the application forms. It is based on the structure and questions of the form.

Applicant details

This section is about the applicant – the organisation that is applying for accreditation. We need to know who the applicant is and its background.

1. Who is applying for accreditation?

Complete the fields for the applicant's information. Ensure the applicant's name is the full name as it appears on the Current Company Extract. If the application is approved, all of this information will be publicly available on the [ESS Registry](#), the [ESS website](#) and other public platforms.

Note that trusts and partnerships are not eligible to apply for accreditation.

Attach with the application a Current Company Extract, even if you are already an ACP. Current Company Extracts may be purchased from the Australian Securities and Investments Commission (**ASIC**) or an ASIC approved information broker and must be dated within four weeks of the application being submitted to IPART.

2. Does the applicant operate under a registered business or trading name?

If the applicant operates under a registered business or trading name, provide the business or trading name, otherwise proceed to the next section: Project details.

3. What is the registered business or trading name of the applicant?

If the applicant is operating under a business or trading name, provide details and attach evidence of the registered business name.

4. What is the primary purpose and function of the applicant's organisation?

Describe the organisation, its activities and the goods and services provided. We are seeking information about the business' background and core purpose and how long it has been in operation. This helps us to understand the applicant's business and how the proposed activity fits with the normal business practices.

Project details

This section is about the technical details of the RESA, where it will occur, the equipment involved and how energy savings will be achieved and calculated.

5. What is the name of the proposed RESA?

Choose a concise and meaningful name for the RESA that describes the activities that will be undertaken. Consider this name carefully – if the application is successful, this name will be publicly available on the ESS Registry, the ESS website and other public platforms. Note the restrictions on the number of characters and the words that cannot be used in the name.

6. What is involved in the proposed RESA?

Provide a concise description of the RESA that includes information about what the RESA involves, the equipment that will be implemented, where and when the RESA will take place and how energy savings will be achieved. This helps us to understand the proposed activity and its scope.

7. What sites will the proposed RESA take place at?

A RESA may be implemented at a single site or multiple sites within NSW. The type of site may be, for example, commercial buildings, industrial sites, residential dwellings, small businesses etc. The term 'site' is defined in the ESS Rule as the location of the equipment affected by a RESA as defined by an address, unique identifier or method accepted by the Scheme Administrator.

We need to know where the RESA will be implemented:

- ▼ if the RESA will be conducted at only one site (ie, location), select 'Single site' and provide the site address
- ▼ if the RESA will be conducted at more than one site and the address of every site is known, select 'Multiple sites – identified', and list the addresses of all sites
- ▼ if the RESA will be conducted at more than one site but the addresses are not yet known, select 'Multiple sites – not yet identified', and provide an estimate of the number of sites and their regions/locations, or
- ▼ if the RESA will be conducted at more than one site and some but not all of the addresses are known select 'Multiple sites – mix of identified and unidentified', provide the addresses that are known, and an estimate of the number of unknown sites and their regions/locations.

Provide a description of the type(s) of the site(s) where the RESA will be implemented. If industrial sites are involved, include the types of industrial sites as categorised by ANZSIC codes.

ESCs can only be created from RESAs implemented in NSW.

8. How does the proposed RESA increase the efficiency of energy consumption?

Activities that may be eligible in the ESS are those that increase the efficiency of energy consumption by:

- ▼ increasing the efficiency of electricity consumption
- ▼ increasing the efficiency of gas consumption, where the gas is combusted for stationary energy
- ▼ fuel switching from electricity to gas, or gas to electricity, or
- ▼ generating electricity where the electricity is used to provide equivalent goods or services, with the result that there is an overall reduction in energy consumption, provided that no electricity is exported to the Electricity Network and the generator nameplate rating is less 5MW.

To be eligible, a RESA must:

- ▼ not reduce production or service levels (including safety levels)
- ▼ not be unlawful to carry out as at the implementation date, and
- ▼ be carried out in NSW.

An activity that reduces energy consumption but does not improve efficiency does not qualify as a RESA. For example, closing a section of a factory and reducing the manufactured output may reduce energy consumption, but it does not qualify as a RESA.

Describe how the RESA will increase the efficiency of energy consumption.

9. What is the indented duration of accreditation for the proposed RESA?

Provide an estimate of how long you expect the RESA to be accredited for. This gives us an indication of the time frame that the RESA will remain active. While the ESS has an end date,¹⁰ accreditations do not have an end date and ACPs may apply to have their accreditation cancelled at any time.

10. What is the estimated ESC creation?

Provide estimates regarding the number of ESCs expected to be created from this RESA for the first three years. This gives us an idea of the nature and scope of the RESA.

Note that most applicants need to provide an undertaking to IPART (as Scheme Administrator) to withhold a percentage of ESCs from sale or trade until ESCs have been confirmed as valid through an audit (refer to [Notice 03/2017: Undertakings](#)). IPART will notify applicants as to whether an undertaking is required.

If the application is approved, we will create an account on the ESS Registry in the name of the applicant which enables the registration, transfer and surrender of ESCs.

¹⁰ Some activities under the ESS may have time limits imposed on them.

11. Which calculation method is being applied?

ESCs are calculated for implementations of a RESA by using a particular ESS calculation method or sub-method. There are four calculation methods, two of which also have 'sub-methods' designed for the particular activities that may be undertaken. The method used depends on the activity to be implemented. Calculation methods are:

- ▼ Project Impact Assessment with Measurement and Verification
- ▼ Project Impact Assessment Method (no new applications can be made for this method)
- ▼ Deemed Energy Savings Method, which has a number of sub-methods, and
- ▼ Metered Baseline Method, which also has a number of sub-methods.

The calculation methods and sub-methods are set out in the ESS Rule and on the ESS website. The requirements for each method vary. Ensure you read the [Method Guide](#) for the [calculation method](#) that is being applied for.

In most cases, a RESA is accredited to use only one calculation method or sub-method from the ESS Rule. To use another calculation method, you may need to submit a separate application.

Provide the name of the calculation method or sub-method relevant to the RESA and attach the completed *Application for Accreditation - Part B* for the relevant calculation method.

Participation as an energy saver

ACPs may be the original energy saver or a nominated energy saver. ACPs that are not the original energy saver, must be nominated as the energy saver for each implementation of the RESA and maintain appropriate insurance, and have suitable systems for customer engagement and management.

This section relates to the requirements for applicants that will be participating as nominated energy savers.

12. Will the applicant need to be nominated as the energy saver?

If the applicant will be participating as a nominated energy saver, provide a response to all of the questions in this section. If the applicant is the original energy saver, then skip the remaining questions in this section and proceed to the next section: Engaging contractors and third party representatives.

13. What is the process for providing us with evidence of current insurance?

ACPs that are nominated energy savers must provide IPART with current certificates of insurance, within seven days of each renewal, reissue or change of policy. Therefore, there must be a process for providing IPART with this information should the application be approved.

Provide a clear description of this process and attach with the application copies of any relevant insurance policies held by the applicant (ie, public liability insurance and product liability insurance) or certificates of currency.

14. What is the process for obtaining nomination?

ACPs that are nominated by the original energy saver, must be nominated for each implementation of the RESA at a particular site. Nomination must be made after the accreditation date, but before or on the relevant implementation date. Nomination must be in the form and manner approved by the Scheme Administrator which is set out in the nomination form template available on the [ESS website](#).

Describe how nomination from the original energy saver(s) will be obtained. If there are multiple original energy savers, describe the process for obtaining and documenting each nomination. Include the procedure for engaging with the original energy savers to obtain their energy saver nominations on or before the project implementation date, and on or after the accreditation date.

15. What is the process for customer engagement, customer service and customer complaints?

We need to know that there is a process in place to ensure appropriate engagement and management of customers. This includes ensuring that each customer is satisfied with the activities carried out at their premises and if not, that there are appropriate processes for managing complaints.

The requirements for ACPs and their representatives to provide appropriate customer service is set out in *Notice 01/2013: Minimum requirements for conduct of persons acting on behalf of ACPs*. Additionally, each Method Guide details the customer engagement requirements specific to that method. In general, applicants must meet our specified minimum requirements.

Provide information about the process for engaging and managing customers. Attach with the application the documents that will be used in customer engagement, including those that will be provided to customers.

Note that applications for either the [Commercial Lighting](#) or [Home Energy Efficiency Retrofits](#) calculation methods, must include processes for the provision of the relevant fact sheet to customers. These are available on the relevant pages of ESS website.

Engaging contractors and third party representatives

This section is about engaging contractors and third party representatives to perform any aspect of the RESA. ACPs that engage contractors or third party representatives ('**contractors**'), such as installers or salespeople, must ensure that their contractors meet the minimum requirements of conduct. Refer to *Notice 01/2013: Minimum requirements for conduct of persons acting on behalf of ACPs*.

16. Will contractors or third party representatives be engaged to perform any aspect of the proposed RESA?

If contractors or third party representatives will be involved in the delivery of the RESA, you must provide information about them as well as procedures for managing them. If contractors will be involved, you must complete all of the questions in this section. Otherwise skip this section and proceed to the next section: Roles, responsibilities and training.

17. Who are the contractors?

ACPs must maintain a register of all representatives conducting activities on their behalf. The register must include information relevant to the calculation method for example, name, contact details, training, qualifications, licence number, relationship, date of contract and responsibilities. Refer to the relevant Method Guide as well as *Notice 01/2013: Minimum requirements for conduct of persons acting on behalf of ACPs*.

Attach the register of contractors (eg, installers and salespersons) that will be conducting activities on the applicant's behalf. If contractors have not yet been engaged, attach the unfilled register of contractors that shows the information that will be maintained.

18. What is the process for engaging and managing contractors?

ACPs must have a formal, documented and enforceable contract or agreement with each person undertaking any aspect of their RESA. Provide information about the contractual arrangements, and how contractors involved in the RESA will be engaged and managed, including procedures to ensure that they perform their aspects of the RESA in accordance with the ESS requirements. ACPs are responsible for the conduct of third party representatives acting on their behalf.

19. What is the process for providing us with evidence of contractors' current insurance?

Subcontractors and agents must hold public liability insurance. If an ACP does not have its own product liability insurance, then the ACP must ensure that any subcontractors and agents have product liability insurance.

If the application is approved, current certificates of contractors' insurance must be provided to IPART within seven days of each renewal, reissue or change of policy as a condition of accreditation. Therefore, we need to ensure that there is an appropriate process in place to manage this should the application be approved.

Describe the process for providing IPART with renewed, reissued or amended insurance of contractors on an ongoing basis, and attach the contractors' current certificates of insurance.

Roles, responsibilities and training

This section is about the people that are involved in the RESA. This includes the people that are implementing the actual energy savings activity as well as those that perform administrative tasks.

20. What are the roles and responsibilities of the people involved in the proposed RESA?

Information about the roles and responsibilities of all people involved in the RESA (employees and if relevant, contractors) and how they relate to each other must be provided. Assign roles and responsibilities within the organisation, and for contractors define how they will contribute to overall delivery of the RESA (including any responsibility for signing off on a particular step in the process). Some examples of potential roles are:

- ▼ assessor/salesperson
- ▼ RESA manager
- ▼ project manager
- ▼ installer, and
- ▼ quality assurance manager.

Attach the RESA organisation chart that includes the names and roles of all employees and contractors involved in the RESA and how they relate to managing and implementing the RESA.

Attach the table of roles and responsibilities which provides details of the people who will actually perform the RESA, their role, their qualifications and any training that will be provided. Include this information for all employees and contractors involved in the RESA.

21. What training will be given to the people involved in the proposed RESA?

Provide information about the training that will be given to employees and, if relevant, contractors undertaking any aspect of the RESA, and attach training documentation. Training material should include, where relevant: customer engagement, explanation of the ESS, record keeping requirements, work health and safety, correct procedures for installing equipment and disposal of replaced or removed equipment.

Many of the activities that use the Deemed Energy Savings Method for creating ESCs involve direct contact with a large number of customers in residential and commercial settings. Refer to the relevant Method Guide for the additional requirements for these activities which include:

- ▼ contractual relationships between ACP and ACP representatives
- ▼ training of ACP representatives, and
- ▼ registers of installers and salespersons.

Record keeping and quality assurance processes

This section relates to the record keeping and quality assurance processes for documentation collected under the RESA. If the application is approved, the RESA activities and record keeping arrangements will be independently audited as a condition of accreditation.¹¹

¹¹ The auditor and the audit scope of work must be approved by IPART and all audit costs paid by for by the ACP (refer to the [Audit Guideline](#)).

Therefore, we need to ensure that record keeping and quality assurance processes are appropriate and will enable audits to be efficient and effective.

If the applicant has already been accredited with respect to a RESA in the ESS and the application is for an additional RESA, some of the current record keeping arrangements may be directly transferable to the additional RESA. However, the applicant needs to identify the necessary records required to support ESC creation for the new RESA and demonstrate that the processes and procedures can accommodate the additional activity.

22. What are the record keeping and quality assurance arrangements?

The *Record Keeping Guide* outlines requirements for record keeping under the ESS. ACPs are required to collect and retain the evidence that supports their activities and maintain appropriate record keeping arrangements to ensure they are able to collect and retain the required evidence. The information collected must be accurate and complete to support the energy savings. As such, it is important that quality assurance processes are implemented to avoid errors.

Provide information about the record keeping and quality assurance processes relevant to the RESA. The applicant must:

- ▼ demonstrate how the requirements of the *Record Keeping Guide* will be met
- ▼ describe the procedures for ensuring that the records are complete, accurate and reliable (ie, outline the key steps in the quality assurance procedure)
- ▼ identify who will be responsible for ensuring that documentation is accurate (ie, who is the quality assurance manager)
- ▼ describe the procedures for conducting internal audits of record keeping and quality assurance procedures, and
- ▼ advise whether the record keeping and quality assurance procedures are currently operational and when they were last audited (internally or externally).

Attach documented record keeping and quality assurance procedures, including the document register that lists all records that must be collected and retained for each implementation of the RESA.

The record keeping procedures must detail the step-by-step process of how records will be obtained, processed, maintained and controlled, and identify the position(s) of the person(s) responsible for each of these steps.

The quality assurance procedures must ensure that records will be complete, accurate and reliable. You must also show the processes and responsibilities for checking records, in particular how calculations and steps in the creation and registration of ESCs will be verified. Quality assurance procedures must be performed by a person that was not involved in the work or process.

The document register must detail, at a minimum, the document name and number, location, version number, owner, author, approver, date of issue and approval, and revision information. Additional requirements specific to the calculation method are set out in the relevant Method Guide.

23. How are records collected and stored?

Provide information about the procedures and information systems for collecting and retaining the required records, including how documents will be obtained from third party representatives.

External auditors require access to an ACP's records that support energy saving activities and calculations. We may also require the provision of records at any time. Therefore, we need to ensure that the systems and procedures to retain and retrieve RESA documentation are appropriate to support energy savings.

24. Are these procedures certified with an accredited quality management system?

The applicant may provide information about the standard against which the applicant's procedures are certified in support of the application. IPART may consider this when determining the audit and compliance regime that may be applied to the accreditation. For example:

- ▼ ISO 5001 International Organization for Standardization (ISO) Energy Management Standard
- ▼ AS/NZS ISO 14001 Australian Standard on Environmental Management Systems, and
- ▼ AS/NZS ISO 9001 Australian Standard on Quality Management Systems.

If the applicant's business systems are certified, provide information about certification in the next question. Otherwise proceed to the next section: Interconnection of activities, people and processes.

25. How will the quality management system support good record keeping?

Provide information about the quality management system and the relevant certification. Describe how the certified quality management system will support improved record keeping.

Attach certificates of certification with the application and copies of the most recent independent audit reports (no more than two) of the applicant's business systems, completed in the last two years.

Interconnection of activities, people and processes

This section draws together all activities relating to the RESA. It gives us a picture of how all the different activities and steps that are required in implementing the RESA, creating ESCs and keeping records come together.

26. How do the energy saving activities, people, processes and documentation interconnect?

The applicant must provide the RESA delivery process flow chart that illustrates the key steps in the RESA. This is a **key document** in the application as it links all of the people, information and processes to activities in the RESA.

The RESA delivery 'process flow chart' should set out all of the activities, people, documentation and quality assurance procedures involved in carrying out the RESA. It includes key activities such as engaging customers, issuing quotes and managing payments, nomination, implementing the energy saving activities, collecting and storing documentation, calculating energy savings and ESCs, carrying out quality assurance and applying to register ESCs.

Annotate the flow chart with any documents or records that are used or created in the process. Include the name and position of each person responsible for each task (refer to the roles and responsibilities section above) and reference any relevant business processes, including QA steps.

Previous participation in the ESS and other government schemes

If the applicant or any of its officeholders (directors and company secretaries) have participated in the ESS at any time, we will consider their compliance performance in the ESS in our assessment of the application.

We will also consider an applicant's compliance performance in other government energy efficiency programs or schemes such as:

- ▼ Victorian Energy Efficiency Target (VEET) scheme
- ▼ Energy Efficiency for Small Business Program (OEHS EESBP)
- ▼ Energy Saver Program (OEHS), and
- ▼ Emissions Reduction Fund (ERF).

We will consider previous performance when determining whether to accredit the applicant or not, and if so, what conditions of accreditation may be appropriate. Refer to our [Compliance and Performance Monitoring Strategy](#) for information about our approach for setting and adjusting audit regimes and how participation in the ESS and other schemes is generally considered in this process.

We also need to ensure that benefits as a result of the proposed RESA have not been obtained under a corresponding program or scheme (which would result in a benefit being obtained, under both that scheme and the ESS, in respect of the same energy savings).

27. Has the applicant participated in other government energy efficiency schemes?

If the applicant has participated in other government energy efficiency schemes or programmes, provide information in the next question. Otherwise, proceed to the next section: Suitability.

28. What is the nature and scope of participation in other schemes?

Provide details about the applicant's involvement with other schemes and grant programs, including the nature of involvement and activities conducted. The applicant must identify if grant money has been received for the energy savings activity. We need to know that the grant provider has been informed that ESCs will be registered for the activity.

Attach copies of the most recent independent audit reports (no more than two) of the applicant's participation in other government energy efficiency programs or schemes in the last two years.

If we believe it is necessary, we may contact the relevant administrators to discuss the applicant's participation or performance in those programs or schemes. In signing the application form (see question 39), the applicant is providing their consent for us to contact other agencies and regulators.

Applicant suitability

When we consider the application, we must be satisfied that the applicant is a 'suitable person' to be accredited. The suitability test questions relate to both the applicant (ie, the organisation that is applying for accreditation) and all of its officeholders, and cover the following matters:

- ▼ character and reputation
- ▼ disqualification of officers or senior management
- ▼ criminal convictions
- ▼ other proceedings of which you have been the subject
- ▼ civil matters
- ▼ issues with financial status (eg, insolvency), and
- ▼ proceedings for unsafe work practices or work health and safety matters.

We look at these factors to fulfil our obligation to carry out our functions as Scheme Administrator in accordance with the objects of the ESS under the Act. If we believe it is necessary, we may contact other relevant agencies and regulators (eg, the Victorian Energy Efficiency Target scheme and the Clean Energy Regulator) to discuss the application. In signing the application form (see question 39), the applicant is providing its consent for us to contact other agencies and regulators.

We will consider the information provided in this section together with the remainder of the application and other matters we consider relevant. In evaluating the information provided, we will take into account matters including:

- ▼ how recently the matters disclosed in the application occurred
- ▼ the nature and seriousness of each such matter
- ▼ whether the matter was rectified to all parties' satisfaction within a timely manner, and
- ▼ the standard of honesty and integrity shown in previous commercial dealings of the applicant and its associates.

The information we require is similar to the suitability requirements and 'fit and proper person' tests used by other regulators, including the Clean Energy Regulator, Australian Energy Regulator and the Australian Securities and Investment Commission.

29. Character and reputation

Provide a response to the suitability test questions regarding character and reputation. If the answer is Yes to any of the questions the applicant must provide details.

30. Disqualification of officers or senior management

Provide a response to the suitability test question regarding disqualification under the *Corporations Act 2001*. If the answer is Yes to this question the applicant must provide details.

31. Criminal convictions and other proceedings

Provide a response to the suitability test questions regarding criminal convictions and other proceedings. If the answer is Yes to either or both of the questions the applicant must provide details.

32. Civil matters

Provide a response to the suitability test questions regarding civil matters. If the answer is Yes to any of the questions the applicant must provide details.

33. Financial status

Provide a response to the suitability test questions regarding financial matters. If the answer is Yes to this question the applicant must provide details.

34. Safety

Provide a response to the suitability test questions regarding safety. If the answer is Yes to this question the applicant must provide details.

Contact details

35. What is the registered business address of the applicant?

Provide the registered business address of the applicant. If this application is approved, the information in this question will be publicly available and referenced in the set-aside undertaking (refer question 10).

The registered business address is detailed in the Current Company Extract (refer question 1).

36. Who is the primary contact for IPART to communicate with regarding the RESA and accreditation?

Provide details of the primary contact for the application. The primary contact must work within the organisation and have authority to act on behalf of the organisation regarding the

application and, if approved, the ongoing accreditation. For example, the primary contact must have authority to:

- ▼ deal with ESCs, such as their registration, transfer and surrender on the ESS Registry, and
- ▼ sign Undertakings and Deeds relating to audits and the set aside of ESCs, or be in a position to arrange for these to be signed.

All communications will be directed to both the primary contact and secondary contact. For privacy reasons, we will not discuss the application with anyone other than the designated contacts unless specific written permission is provided.

If the application is approved, the primary contact will be provided with a user account in the ESS Registry and have permissions to create other users and deal with ESCs.

37. Who is the secondary contact in the organisation (if needed)?

The applicant may provide details of a secondary contact for the application. The secondary contact must also work within the organisation and be in a position to liaise with us regarding the application and, if it is approved, the ongoing accreditation. The secondary contact will be included in our communications.

We will accept information requests from the designated secondary contact.

38. Is an external consultant assisting you with the application?

The applicant may use an external consultant to assist the applicant in the preparation of the application and, if approved, the ongoing accreditation. We may need to liaise directly with the consultant, however we will address all communications to the designated primary contact.

We require a letter duly executed by the applicant authorising direct communication between the consultant and IPART regarding the application. The letter of authority should detail whether the consultant is authorised to liaise with IPART regarding the ongoing accreditation should the application be approved.

The letter of authority may be duly executed by, for example, two directors of the applicant, a director and a company secretary of the applicant, or a sole director who is also the sole company secretary.

If you are using an external consultant, provide their details and attach a letter of authority.

Declaration

39. Sign the declaration for this application

When *Application for Accreditation - Part A* is signed, the signatory is making declarations about all of the information provided in the application. Note that Section 158 of the Act

imposes a maximum penalty of \$11,000 and/or six (6) months imprisonment for knowingly providing false or misleading information to the Scheme Administrator.

The application must be signed:

- ▼ by a person legally authorised to sign it, and
- ▼ in the presence of a witness.

Attach evidence of the signatory's authority to sign the application form that is dated less than four weeks from the date that the application is submitted. This may be, for example, a letter of authority that is duly executed by the applicant to IPART's satisfaction. The letter of authority may be duly executed by, for example, two directors of the applicant or a director and company secretary of the applicant.

Attach proof of identify of the signatory. This must be **certified true copies** of three documents from the table below. This may be three documents from Category A or alternatively, one document from Category A and two documents from Category B (refer Table A.1 for details). If the signatory's name on the documents differ, you must also provide a certified copy of a document that shows the change of name, eg, a deed poll or certificate issued by a government authority.

Proof of identify documents must be copies of the originals that have been certified as true copies (within four weeks of the application being submitted) by a:

- ▼ justice of the peace
- ▼ solicitor or barrister with a current NSW or interstate practising certificate
- ▼ commissioner of the court for taking affidavits
- ▼ notary public, or
- ▼ person by law authorised to administer an oath.

TableA.1 Documents that can be used as proof of the signatory's identity

Category A	Category B
Australian driver licence (all states and territories)	Medicare card
Australian Passport	Marriage certificate
Australian Visa	Australian Electoral Roll
Birth Certificate	Utility bill eg, electricity, gas, telephone or Council rates notice
Change of name certificate	-

Application checklist

40. Have you completed the application form and supporting documentation?

Complete the application checklist. This ensures that the application is complete and accurate with all of the relevant attachments.

B Instructions: Application for Accreditation – Part B

In addition to the general eligibility requirements outlined in *Application for Accreditation - Part A*, each calculation method has its own eligibility requirements. These requirements are explained in the relevant Method Guide and are assessed in *Application Form Part B* for the relevant calculation method.

In *Application for Accreditation - Part B* the applicant needs to provide details of how the calculation of energy savings and ESCs will be performed, and how the information needed to support energy savings will be obtained.

The ESS Rule sets out for each method the requirements for calculating the energy savings from an 'implementation'. The Method Guide explains how to calculate energy savings for the relevant method. The Method Guide also identifies the appropriate documents and records that must be collected/generated as minimum evidence to demonstrate eligible energy savings from implementations of the RESA.¹² It is the applicant's responsibility to ensure that evidence is obtained in compliance with the Act, Regulation, ESS Rule and any conditions of accreditation. The guidance outlines minimum requirements that applicants are responsible for in determining the appropriate evidence specific to their RESA.

The implementation date is the date the energy savings are taken to occur or start, as specified in the relevant method in the ESS Rule. Evidence of the implementation date must be obtained, and the record keeping system must be able to track this information accurately for every implementation. Note that ESCs may only be created for implementations with implementation dates after the applicant is accredited.¹³

¹² The Commercial Lighting method also has an Evidence Manual.

¹³ Refer clause 5.2 of the ESS Rule.