28/3/2024

NSW Office of Energy and Climate Change Email: ESS@ipart.nsw.gov.au

Subject: Changing audit conditions and increasing certificate creation limits

welcomes the opportunity to provide feedback on the consultation for Changing Audit Conditions and Increasing Certificate Creation Limits.

In general, **supports** an overhaul of the audit conditions and certificate creation limits under ESS and PDRS, however we consider it essential that Accredited Certificate Providers (ACPs) beginning their journey, should go through something that closely resembles the existing process.

The initial course of audits and stepped increases forces new ACPs to establish strong policies and processes that they can then maintain as they grow. This early process helps ensure the integrity of the program and to protect the reputation of the wide ACP pool who are genuinely in this industry to make a difference in the energy efficiency space and fight against climate change.

Having ACPs join our industry without the same values could quickly undo the integrity and purpose of the scheme and can have an adverse impact on the wider industry of participants.

Please see our specific responses to the consultation questions on the page below.

was established in 2007 to support businesses and households to reduce energy use and contribute to the fight against climate change through a reduction in emissions. We work within the energy efficiency schemes in New South Wales, Victoria and South Australia as well as the national Renewable Energy Target and Emissions Reduction Fund schemes to help businesses and households access incentives for energy efficiency upgrades.

With dedicated teams who are trained and experienced in their roles we offer turn key solutions for our clients that include: Solar & Batteries, Energy Brokering, Tariff optimisation, Hot water upgrades, LED Lighting upgrades, Street lighting installation, Measurement and Verification and Decarbonisation.



Responses to consultation questions

Would the introduction of an application form for amendments pose any issues or challenges for your business? Please provide details or examples where possible.

believes it is unlikely to pose any business challenges, unless the form is overly cumbersome and requests information that may not be pertinent, or is covered by the audit process. In Victoria under the VEU scheme, the newly introduced annual reaccreditation process has proven to be drawn out and highly demanding of resources on both ACP and Regulator sides.

It would be helpful to see an example of the form prior to its release for feedback.

Do these proposed information requirements pose any issues or challenges for your business? Is there other information you could provide us to support your application? Please provide details or examples where possible.

No challenges at this stage, it would depend on the detail of the form, as per answer above.

Does the proposal to automatically progress from pre-registration to periodic audit conditions (providing the first audit is satisfactory and there are no compliance issues) raise any issues or challenges for your business? Please provide details or examples where possible.

The proposed changes would not present challenges for **provide** however we hold concerns that a less rigorous audit process in the initial stages of an ACPs 'life-cycle' could introduce risks to the integrity of the scheme. In the long-run, this might have adverse effects on well-established ACPs, Auditors and Ipart staff, where new conditions are introduced due to new ACP's poor behaviour and/or inadequate processes.

The current, slower approach to auditing graduation, while no doubt unpopular, ss a proven success in ensuring scheme integrity and market trust around certificate programs, and sets up new ACPs for long term best-practice behaviour.

Are you likely to need to apply for limits higher than 200,000 ESCs or 2,000,000 PRCs? Do you see any challenges or issues with the proposed approach to setting audit conditions for these higher limits? Please provide details or examples where possible.

Yes, would need to apply for higher certificate limits to support operations, especially as more energy savers engage in the upgrade process. We would stress that only an ACP with a long history of strong compliance at a higher level of certificate creation, should be able to continue to register certificates while under audit i.e.: absolute error rate of <1% per audit.

Any changes that are made, must address the following current examples of the conditions ACPs face whilst in audit:

- Insufficient auditors to meet demand
- Extended auditing timelines as a result of insufficient auditors with capacity to meet our operational requirements
- Difficulty in forecasting our remaining allocation of certificates to support business operations during the audit process
- Uncertainty in audit timeframes creates resourcing challenges, both with people resourcing and financial resourcing i.e.: cash flow
- Timing of audits during peak seasons such as Easter, end of financial year and end of calendar year further compacts all of the above challenges.

Allowing ACPs to continue to register certificates beyond an allocation limit of 200,000 would alleviate the majority of the above challenges for ACPs, auditors and iPart. To maintain an overview of compliance of an ACP we would also suggest that audit cycles should be mandatory once an ACP reaches a registration range of 150,000 - 200,000.

Please do not hesitate to reach out if any of the above requires further clarification or any other questions.

Kind Regards,

