

4 April 2023

Independent Pricing and Regulatory Tribunal | NSW

Consultation on the Energy Savings Scheme PIAM&V Method Requirements and PIAM&V Method Guide

Ecovantage welcomes the opportunity to comment on the PIAM&V Method Requirements and PIAM&V Method Guide.

In general Ecovantage supports the proposed methods and the ESS rule change to account for non-routine events and adjustments.

As an out of scope comment, we are concerned that no consideration has been given to updating the OECC persistence model tool to reflect technologies that will become eligible with the introduction of new fuel types in the 2023 Rule. The alternative options to either annual create certificates or using the default decay factor (Table A16) for technologies which will have a lifetime beyond 5 years (e.g. heat pumps) are not commercially viable options. If the purpose of the ESS Rule change is to increase opportunities for energy savings, consideration must be given to revised guidelines that are both commercially sensible and sound in their PIAM&V principles.

More details are discussed in the response to the consultation questions below.

About Ecovantage

Ecovantage 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, South Australia and Queensland as well as the national Renewable Energy Target scheme 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

1. Do you have any comments on the proposed changes to the Method Requirements? For example, are the changes practical to implement?

Answer- The main comment on the proposed Method Requirements relates to how they apply to projects that are past the Implementation Date, but have not yet registered certificates. This presents a high level of uncertainty for ACPs.

As an example, any Preliminary M&V Professional Report for projects already implemented will not be signed by the ACP and the M&V Professional prior to implementation, and thus will not meet this Requirement.

Clarity is required on how application of the Method Requirements will work in practice, especially if the 2020 Method Requirements are being repealed. As ACPs we can comply with one set of Requirements or the other, but not both if the project goes beyond 14 April 2023, when the new Method Requirements come into effect. It is our strong recommendation that the new rules are only applicable to projects with an implementation date after 14 April 2023.

2. Do you have any other feedback on any aspect of the Method Requirements?

Answer- The proposed Method Requirements specifically state that the PIAM&V Requirements (No 2) are not repealed. These Requirements deal with Other Implementations, and apply for projects with an Implementation Date on or before 31 December 2021.

The Rule change taking effect 14 April provides detail and specifications on how to deal with Non-Routine Events, including Other Implementations. There are also changes to some definitions. For clarity, we recommend that the PIAM&V Requirements (No 2) are repealed to avoid confusion, particularly as the 2023 Rule will provide adequate guidance.

3. Do you have any comments on the approach to the Method Guide? For example:

- a. Does it make it easy for you to find the information you need to comply with your obligations?
- b. Does structuring the document around key phases of the project cycle make it easier to follow?

Answer- The structure of the Method Guide is significantly improved, and working through the process in a chronological order makes much more logical sense.

4. Do you have any comments on the content of the Method Guide? For example:

- a. Is the guidance clear and easy to understand?
- b. Does the focus on applying the ESS Rule and cross-referencing other documents make the Method Guide easier to use?
- c. Is there any other information you would like included in the Method Guide?

Answer- For the most part, the guidance material is clear and easy to understand. We request some further clarity around the use of the word “should” and a review of where “should” versus “must” are used in the Method Guide.

The use of “should” in Section 4.3 is particularly ambiguous. There are always going to be situations where estimated savings are 10% (and therefore using Option C is appropriate and there is no need for submetering), but for a range of reasons the actual savings end up being

<10%. Suddenly using Option C may not be considered appropriate, and with no submetering installed, the project is now at risk. In reality, it is not at all common to see sites with existing submetering, and if they do it is highly likely that they don't capture the data required, are not calibrated, or do not work.

We would also like to see guidance on how persistence models should be applied to energy savings calculations, particularly examples for fuel switching projects as these projects will be eligible after the 2023 Rule change. For example, does the persistence model apply to the incumbent equipment (e.g. a natural gas boiler) or the upgrade equipment (e.g. a heat pump)?

- 5. Do you have any comments on changes to the evidence requirements in the Method Guide? For example:**
- a. Are the requirements clear and easy to understand?**
 - b. Are the requirements practical?**

Answer- We agree with the changes to evidence requirements in the Method Guide in theory. However, there are some concerns about how these will look in practice. For example, ensuring that safety levels have not been reduced, and the burden being placed solely on the ACP to determine what evidence is sufficient. There is a significant risk that the project will get to audit, and the Auditor does not agree that the evidence provided by the ACP is sufficient. This has significant implications, and we request that IPART provide a clear framework on this, rather than auditor discretion. It is worth noting that PIAM&V Auditors are in low supply and overworked, which has the potential to lead to rash decisions if no clear framework exists.

- 6. Do you have any other feedback on any aspect of the Method Guide?**

Answer- No.

Please do not hesitate to contact me if you have any questions or concerns.

Kind Regards,

Arlen East
National Engineering Services Lead
Ecovantage Pty Ltd