



4 April 2023

IPART

Via email

## RE: Draft PIAM&V Method Requirements and PIAM&V Method Guide Consultation

Thank you for the opportunity to provide feedback on the draft PIAM&V Method Guide and Requirement as detailed in the consultation paper released in March 2023.

### About Shell Energy in Australia

Shell Energy is Shell's renewables and energy solutions business in Australia, helping its customers to decarbonise and reduce their environmental footprint.

Shell Energy delivers business energy solutions and innovation across a portfolio of electricity, gas, environmental products and energy productivity for commercial and industrial customers, while our residential energy retailing business Powershop, acquired in 2022, serves more than 185,000 households and small business customers in Australia.

As the second largest electricity provider to commercial and industrial businesses in Australia<sup>1</sup>, Shell Energy offers integrated solutions and market-leading<sup>2</sup> customer satisfaction, built on industry expertise and personalised relationships. The company's generation assets include 662 megawatts of gas-fired peaking power stations in Western Australia and Queensland, supporting the transition to renewables, and the 120 megawatt Gangarri solar energy development in Queensland.

Shell Energy Australia Pty Ltd and its subsidiaries trade as Shell Energy, while Powershop Australia Pty Ltd trades as Powershop. Further information about Shell Energy and our operations can be found on our website [here](#).

### Consultation Questions

1. Do you have any comments on the proposed changes to the Method Requirements? For example, are the changes practical to implement?
  - As part of these Draft Requirements, the PIAM&V Requirements dated 21 February 2020 are repealed but the PIAM&V Method Requirements (No. 2) dated December 2021 are not repealed. Shell Energy questions why the PIAM&V Method Requirements (No. 2) document is specifically not repealed, given that it is inapplicable with the new version of the ESS Rule. We recommend the PIAM&V Method Requirements (No. 2) document should also be repealed. The PIAM&V Method Requirements (No. 2) is dependent on clause 7A.5 (g) of the previous ESS Rule, however this clause has been deleted in the new ESS Rule. Furthermore, it is our view that no PIAM&V project can meet these requirements without contravening the

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<sup>1</sup>By load, based on Shell Energy analysis of publicly available data.

<sup>2</sup> Utility Market Intelligence (UMI) survey of large commercial and industrial electricity customers of major electricity retailers, including ERM Power (now known as Shell Energy) by independent research company NTF Group in 2011-2021.



new Non-Routine Adjustment provisions and therefore clause 7A.5B (b) would mandate that PIAM&V Method Requirements (No. 2) is not followed.

The following is an example of the conflict that an ACP would face should the current version of the draft Requirements be put in force post April 14 2023:

- Project implementation date of 30/12/2021. Project is a chiller upgrade at a large commercial building and requires 12 months to capture a full operating cycle. For a variety of reasons, the operating period needed to be delayed by 3 months.

As such, the operating period starts on 30/03/2022 and ends on 29/03/2023. There is also a deemed lighting project that is implemented on 29/12/2021 and is within the measurement boundary. For the purposes of this example, this lighting project constitutes 20% of the total measured normal year savings.

The ACP carries out the project in accordance with the Rule effective 14 April 2023 as certificate registration would occur post this date. However, this project also satisfies the application criteria of the Method Requirements (No. 2), meaning that the ACP must also apply this Method Requirement as per clause 7A.16 of the Rule. Clause 7A.16 (d) of the Rule would not apply as the Method Requirements (No. 2) defines this deemed lighting project as "Other Implementations", whereas the Rule defines this as "Non-Routine Events". The Rule does not state that only one definition can apply.

This project would therefore require an Interactive Energy Savings deduction and application of the IES Factor (which is still applicable due to the Method Requirements (No. 2) being relevant and clause 7A.10 (a) (ii)), as well as the adjustments to energy measurements as per the OIMP method. The ACP must also introduce an Interactive Energy Savings term as described by the Method Requirements (No.2) section 3.2. Note that this is distinct from the Interactive Energy Effects term described by Section 7A.9 of the Rule. Again, a common reading of both documents and the necessity of following clause 7A.16 (c) suggests that the Interactive Energy Savings term must be included.

The above example highlights the exceedingly convoluted interactions between the Method Requirements (No. 2) and the new ESS Rule. Based on the various consultations Shell Energy has been involved in, we understand the continual application of Method Requirements (No. 2) is not the intent of the NSW Office of Energy and Climate Change.

For the avoidance of doubt and for clarity of project delivery, Shell Energy strongly recommends that PIAM&V Method Requirements (No. 2) be repealed as part of the Draft Requirements.

- Draft Method Requirement 4.2 (a) states that the Preliminary M&V Plan must be signed by an M&V Professional and the ACP. This was changed from the previous wording of the plan being signed by an M&V Professional and the Energy Saver. The change to requiring the ACP to sign will have an unintended effect of making ongoing PIAM&V projects ineligible if the Preliminary M&V Plan was signed by the Original Energy Saver (who is an Energy Saver and is allowed under the current Method Requirements). Given this is a requirement that must be done prior to implementation, it will not be possible to redo this plan for projects that are waiting on sufficient data for the Operating Period.

Shell Energy recommends that Draft Method Requirement 4.2 (a) be revised to state "and the ACP or the Original Energy Saver" to ensure eligible projects do not lose their eligibility.

2. Do you have any other feedback on any aspect of the Method Requirements?
  - No comment



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?
  - In Section 4.3 - Measurement Boundary, the sentence "If the energy savings are less than 10% of the baseline energy consumption, then you should adjust the measurement boundary and install sub-metering to directly measure the energy consumption" does not reflect the rule of thumb stated in the IPMVP Core Concepts 2022 document. In this, the rule of thumb in not using Option C is: "expected savings are less than 10% (monthly energy use data) or 5% (daily or hourly energy use data) of whole facility baseline energy consumption". Shell Energy suggests that the Method Guide aligns itself with the IPMVP Core Concepts document.
  
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?
  - No comment
  
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?
  - No comment
  
6. Do you have any other feedback on any aspect of the Method Guide?
  - No comment

For more detail on this submission please contact Charles Luo, Engineering Team Leader [REDACTED]  
[REDACTED]

Yours sincerely

[signed]

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GM Energy Solutions