

## **Feedback provided in to the 2016-2017 ESS Rule change submission process from Iowa Lighting on 12 December 2016**

We are an ACP under the ESS Scheme and would like to provide feedback about the proposed ESS Rule change.

Regarding section 5.1.2 'Purchaser Co-payment' of the 'Rule Change 2016-2017 Consultation Paper', the proposed change would cause a huge detriment to our business model.

We provide a full-turn key solution to our clients from providing the lighting, to installing the lighting to generating ESCs for government rebates. Because of this, we provide our rebates to the customer up-front through a reduction in our pricing. Given that we provide all services of the LED upgrade, we only invoice once the job is complete and our terms of payment are 30 days from invoice. The proposed requirement to receive \$5/MWh of Electricity Savings up front BEFORE we can generate ESCs proposes a huge problem to us because we will not receive payment of our invoice until at least 30 days after installation. Additionally, on large orders we sometimes allow a customer to pay in stages, with fragments of the invoice being paid each month, which could delay ESC creation. This new requirement also does not allow for late payers or bad debts, which are inevitable in business. Finally, businesses should be able to set whichever payment terms they like to suit their business model and this requirement would obstruct this right.

One solution we can provide is for the ACP to show that they sent an invoice for at least \$5/MWh to the customer via email and that there is written evidence that they have been actively trying to get payment from the customer if they have not paid on time.

Another solution would be for the ACP to provide a payment receipt of at least \$5/MWh during its next audit, with an allowance of 5% to account for bad debts or late payers.

We cannot see any significance of the date on the payment receipt and do not see any reason why it should be required to be dated before the ESC creation date. The only thing that has any significance is whether or not the payment was received, not WHEN it was received.

Additionally, we suggest implementing harsher punishments for the few ACPs who are offering ESS rebates without invoicing for adequate payment, rather than implementing a restrictive requirement on all ACPs.