

NSW Peak Demand Reduction Scheme (PDRS) and draft Rule Consultation

Northmore Gordon response

Contact Details:

Patrick Blain

General Manager, Certificates

P: 0403 969 162

E: p.blain@northmoregordon.com

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Stephen Procter
Strategic Delivery Manager, Sustainability Programs Energy, Climate Change and
Sustainability
Office of Energy and Climate Change
Via email sustainability@environment.nsw.gov.au

Dear Stephen,

Thank you for the opportunity to provide feedback on the PDRS Rule.

Northmore Gordon Environmental are an ACP in the ESS program and work
with several product manufacturers, installation businesses and energy
consumers to provide access to incentives for energy savings activities.

Kind regards,



Patrick Blain
General Manager, Certificates

Questions

1.What administrative processes could be improved by implementing better digital systems? How would that impact on your organisation?

Focus should be on improving the usability and functionality of the ACP portal and GGAS portals that are administratively burdensome to use. We would suggest moving to as integrated system as soon as possible, modelled on either the VEU registry or the CER's REC Registry.

It is not immediately apparent how a digital version of the rule will benefit or streamline our processes. Tools that that would be more immediately useful are:

- Publishing excel (or similar) versions of the data tables from the rule so that they can be easily entered in our systems
- Having an online calculator available to validate our system against to ensure that we have made the correct calculations.

2.Do you use systems managed by other organisations to deliver the ESS rules and/or would you use them for the PDRS? If so, which ones, and how do you use them?

Yes, Alitsy. We used this platform as our job management, evidence collection, and audit platform.

3.Are there any digital tools, or specific software applications that could improve the PDRS customer experience, or understanding of the PDRS? If so, what are they and how could they be used?

4.Would you use an open calculation API if it is made available? Why/why not?

We would need further information on how this would be implemented. Would there be a streamline audit approach where the API was used? What are the requirements of the program administrator? In the event that there is an error in the API, how will this be treated at the time of audit? Clear procedure on how this scenario will be addressed so that we can accurately assess the pros and cons of using the API.

5. Do you support the draft calculation approach and requirements for each of the technologies in the RDUE method? Please highlight positives and negatives, including any specific barriers to uptake of this activity. Space is provided in our online form for you to provide answers on each activity.

We support the current calculation approach.

In this version of the PDRS we intend to participate in the RF2 activity, and we would encourage the inclusion of a “fit for purpose” installation requirement.

6. Should the PDRS have a requirement for the installed End-User Equipment under HVAC1, HVAC2, WH1, WH2 and SYS2 to have DRM1, 2 and 3 capability under AS/NZS 4755? What are the alternatives?

No comment.

7. Should the PDRS incentivise the replacement of continuous tariff hot water systems that are on off-peak or controlled load tariffs?

No Comment

8. What aspects of the PDRS would you like to know more about, and what’s the best way to provide this information to you?

What are the registration fees per PRC?

What are the compliance requirements in addition to the ESS requirements?
Knowing these requirements as early as possible will ensure that all participants can set up systems and processes to participate in the program.

Audit regime for the PDRS, will this be similar / concurrent with the ESS audits? Will there be an ongoing or annual audit requirement to ensure that the capacity is still in place?

9. What activities, technologies and business models are you most eager to see in the PDRS and why are these important to you?

PIAM&V being included in the PDRS is a top priority.

PIAM&V. Projects are being delivered under the NSW ESS via this method which would also contribute to peak demand reduction. Notably:

- a. This can be achieved by changing the measurement unit from daily electricity usage to hourly electricity usage and changing the baseline and measurement period from annually to the peak demand period for the PDRS from 1 November to 31 March. Although it should be noted that not all independent variables can easily be collected on sub-daily basis. For example production data or occupancy data may only be available on a daily, weekly, or monthly basis, which will limit the resolution of the energy model. This does extend to commercial buildings, which for example may required occupancy in addition to weather data to construct a model that meets the ESS requirements.
- b. An approach for crediting sites that are unable to produce an hourly model must be included. Approaches could include:
 - i. using the highest demand interval in the baseline/ normal year and see the reduction in the demand for that period. On average over the years, projects participating in PDRS would then create exactly the right number of PRCs for the overall demand reduction.
 - ii. factor to account for it. E.g. based on time only, 4 months of the year, 6 hrs / day, then it's 0.083333 that of the PIAMV savings, or adjusted for site operations - various guidelines / proof requirements to be specified
- c. While we accept that the current PIAM&V approach can be improved, we believe that this does not warrant a delay in enabling the current approach to be implemented as soon as possible.
- d. Any activity should align with the ESS PIAM&V method as closely as possible to reduce additional costs of participating in both programs.
- e. Initial focus should be on introducing PRCs for **Demand Savings**, with Demand Response and Demand Shifting to follow.
- f. Those engaged in the area are accustomed to the complexities and are well placed to engage in creating PRCs now.
- g. Any additional approaches that may be implemented in future that streamline the current PIAM&V method could then simply be incorporated into the PDRS.
- h. A Peak Demand PIAM&V method could also be readily extended to provide a verification framework for aggregated demand response and VPP demand shifting periods – through the multi-site model provisions

and PIAM&V and expanding the eligible activity provisions to include these activities, just as the VEU uses PIAM&V equivalent.

- i. While we understand that the OCEE plans to consider developing a new and improved M&V method for both the ESS and M&V method, delaying the M&V method due to the short-coming of PIAM&V for some use-cases will cause cascading distortions on the mix and cost of activities adopted under both schemes.

Batteries with solar PV are a demand reduction activity and should be a priority inclusion.

- a. Installation of a PV system with a battery delivers 1) a permanent energy saving and 2) a permanent demand reduction. A battery reduces a customer's peak demand in the same way that installing an efficient air conditioner does and so should also be eligible to create 10 years of PRCs at the time of installation.
- b. A battery with solar PV makes a material contribution to reducing demand in the following ways:
 - i. a *permanent* reduction when installed as the battery will be operated to maximise self-consumption as a default. The demand reduction will be a function of the size of the PV system and the capacity of the battery and the customer's demand.
 - ii. a *demand response* as in addition to this permanent reduction, the battery could be operated to maximise discharge during peak periods, as opposed to discharge to reduce the level of imports. This further demand reduction could be treated as demand response and eligible for additional PRCs where covered by a contract such as for a virtual power plant.