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23 August 2019

Stephen Procter, Strategic Delivery Manager, Sustainability Programs
Energy, Climate Change and Sustainability
NSW Department of Planning, Industry and Environment
sustainability@environment.nsw.gov.au

Dear Mr Procter

Below please find written comments as feedback to the proposed changes the 2019 Rule Change to the NSW Energy Savings Scheme.

Question 30: Do you agree with the use of the 3-star rating, as defined within the 2019 Refrigerated Cabinets Determination, as a baseline for determining energy efficient status?

I understand the rationale for the requirement: "The RC must have an energy efficiency index (EEI) below 77 EEI", which appears to be a sensible approach in the medium term. However, there are a number (as at the time of writing: 541) of Refrigerated Cabinets that are currently GEMS registered and classed as "high efficiency", but do not have an EEI below 77. So these cabinets are currently (under the existing rules) eligible for ESC creation, but they will not be eligible for ESC creation once the new rules start.

Project lead times for refrigeration are relatively extended. For example, we (Sunny Green Solutions) are talking to some our clients about projects that have agreed the scope of cabinets to the end of 2020. Under the current rule, those projects are eligible for ESC creation, but under the new rule, these project will not be able to create ESC for a material number of cabinets, even though ESCs were considered in project decisions.

The current rule change would severely penalise projects that have scheduled the install of Refrigerated Cabinets that have an EEI greater than 77 and less 100 (about 272 Refrigerated Display Cabinets) as the refrigeration schedules for these projects are agreed well in advance (to meet supply and manufacturing lead times). The number of ESCs created is already controlled by the baselines in the calculation, so relaxing the 'gate' (from an EEI < 77 to an EEI of < 100) for the first year of the rule change, would give the industry more time to respond, and reduce the impact on projects that have already been agreed and scheduled. A phased-in transition will give the purchasers of equipment time to transition future projects to meet the stricter requirement of an EEI < 77, and give manufacturers time to make improvements to their Refrigerated Cabinets to meet the 'gate' requirement of three stars (EEI < 77).

Our recommendation is to phase-in the transition to the new requirements, by making the 'gate' requirement to be based on two stars (i.e. to have an EEI of < 100) for the first year of the new framework (i.e. for the next rule change that is impacted by the 2019 Refrigerated Cabinets Determination), and then to change to the three star (EEI of < 77) one year later (i.e. for the subsequent rule change), while still maintaining the integrity of the scheme from both an energy efficiency perspective and from the industry viewpoint.

Question 31: Do you agree with the proposed changes to Activity Definition F1?

Within the 15 new classes of refrigerated display cabinets, there are two broad categories of: Remote, and Integral. Integral simply means the cabinets can be plugged into a power point. Remote cabinets require a significant amount of work to hard wire the Refrigerated Cabinets and to connect the pipework to a back of house refrigeration system.

Installation of Remote cabinets is an expensive exercise with projects ranging in cost from hundreds of thousands to millions of dollars. In the rule, currently the expected life of both Integral and Remote cabinets is 8 years. An eight year expected life for Remote cabinets is very short. Our experience, indicates that stores have the Remote Cabinets installed for 15 to 25 years before they are replaced. It is a very expensive, and well planned, exercise to remove the Remote Cabinets (as opposed to Integral, which can simply be unplugged moved), and they are not moved without spending significant amounts of money. Additionally, shops have to be closed (or partially closed) for weeks or even months to change out remove cabinets, which impacts the income these shops generate. The decision to replace Remote cabinets is not taken lightly.

Our recommendation is to increase the lifetime (years) for the Remote cabinets in categories (RRH, RRV, RRV-2, RFH, RFV) to at least 12 years, as this would be a more accurate reflection of reality and the energy efficient savings that occur from the installation of energy efficient Remote Refrigerated Cabinets, while still being conservative from an energy saving perspective.

Please feel free to ask me any questions about the above.

Kind Regards

A handwritten signature in black ink, appearing to be 'Craig Jones', written in a cursive style.

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