

3rd December 2015

Manager Energy Projects
Operations and Programs Branch
NSW Department of Industry – Division of Resources and Energy

Energy Savings Scheme Rule Consultation 2015 - Submission

Dear Sir/Madam,

Energy Efficiency Certificate Creators Association (EECCA) is a membership organisation of companies operating within the energy efficient schemes in New South Wales, Victoria, South Australia and the Australian Capital Territory. Our group of companies proudly implement projects that reduce bills and improve productivity for households and businesses. EECCA is a strong, public advocate for energy efficiency and the important role that market based schemes can play in addressing market barriers, empowering customers and delivering cost-effective greenhouse gas emission reduction.

EECCA commends the NSW Government for its vision and leadership in energy efficiency policy. EECCA supports the NSW energy savings target and the broad goals of market transformation, in the NSW Energy Efficiency Action Plan. We support the ESS as the primary mechanism for delivering these objectives.

EECCA broadly supports the changes to the Rule as proposed in the NSW Energy Savings Scheme Rule Change Amendments – Consultation paper, November 2015, and provides the following feedback:

Gas

EECCA supports the inclusion of GAS savings into the ESS

Regional Network Factor

EECCA supports the inclusion of a Regional Network Factor however our market experience is that if the factor is intended to encourage the take up of energy efficiency activities in regional areas, the factor will need to be closer to 1.05 - 1.1 to make a difference to decision makers.

Home Energy Efficiency Retrofit

EECCA support the proposed amendments to the bundling requirements and revision to a minimum number of certificates created for each site.

We also support the proposed new activities including to replace an Edison screw or bayonet lamp with an LED lamp for general lighting purposes.

However, EECCA has concerns that the abatement values may not be reflective of the abatement opportunities. The amendments to Schedule E of the HEER sub-method may actually increase the financial barrier for households to participate. As such we don't envision many current or potential ACPs will pursue this as a business model.

EECCA would support amendment considerations and associated abatement calculations to Schedules E1, E3 and E11 of the HEER sub-method of the ESS Rule that would achieve the Objectives of the Act by encouraging energy saving activities and by assisting households and businesses to reduce electricity consumption and electricity costs. Some further considerations we encourage include:

- Abatement values based on LED lamp life of 30,000 hours
- For Activity Definition E11 a separate abatement formula for CLF replacement as opposed to incandescent/halogen replacements by LEDs
- For Activity Definition E11 to replace an Edison Screw or Bayonet mains voltage Incandescent Lamp of at least 25 watts or a Halogen Lamp of at least 18 watts, with a LED Lamp for General Lighting Purposes

For Activity Definition E1 EECCA suggest introduction of a lamp only upgrade option.

EECCA would also be supportive of the initial downlight light output requirement of 500 lumens remaining. We believe that this would be an appropriate level to ensure broad customer satisfaction.

Other drafted changes that EECCA are supportive of include:

- Recognising abatement from window film applied to glass doors
- Recognising abatement from the replacement of inefficient hot water systems strengthens the commercial attractiveness of the method by broadening the abatement opportunities.
- Recognising abatement from the replacement of inefficient electrical heaters strengthens the commercial attractiveness of the method by broadening the abatement opportunities.
- Recognising abatement from upgrading old-technology lamps with a B22 or E27 base strengthens the commercial attractiveness of the method by broadening the abatement opportunities.
- Including gas efficiency implementations strengthens the ESS and the HEER method by broadening the abatement opportunities.

Additional aspects that EECCA encourages consideration of:

1. Given the HEER method has been unbundled there is likely to be smaller abatement opportunities that now meet the minimum requirements. EECCA suggests that a two tiered 'Customer Contribution' to reflect the lower level might be more appropriate for the smaller activities. For example less than 10 ESC would require a \$49 customer contributions (i.e. similar to \$5 per mWh minimum).
2. EECCA requests guidance be provided on start dates for activities D6 to D9.
3. EECCA requests that Stand by Power Controllers and In Home Display devices be considered for inclusion as technologies that will further improve the uptake of energy efficiency in households.

Commercial Lighting

EECCA strongly supports the inclusion of additional standard control multipliers for occupancy sensor scenarios. EECCA would be supportive of applying to additional BCA classes where appropriate, in particular BCA Class 3 Common Areas that has a very similar profile to the existing Classes included.

Substantial quality improvements have been made in LED tubes and appropriate installation processes exist to ensure the safe upgrade of modified luminaires. Other schemes including VEET, REES and ERF currently permit the installation of LED tubes in modified fittings that provide low cost abatement opportunities for energy users. EECCA would be supportive of clarification as to why these products tubes should not be an eligible activity under the ESS.

Clarification of clause 9.4.1 appears to require compliance to AS/NZS 1158 as well as any any other standard proposed by the scheme administrator. EECCA suggests this could be unnecessarily onerous and request consideration be given to change this clause to "OR" instead of "AND" given that if another standard is approved, then it would stand on its own merit.

Project Impact Assessment, Measurement & Verification

PIAM+V is seen by EECCA as having considerable potential to drive energy efficiency improvements for large energy users however in practice, application of the current rules to meet the PIAM+V requirements has resulted in zero ESCs being created under the PIAM+V method.

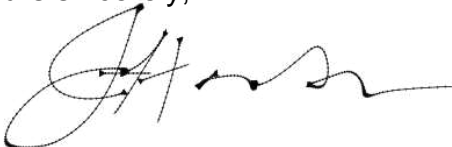
1. EECCA supports the following proposed changes in statistical requirements under PIAM+V:

- removal of the minimum threshold for r-squared of 0.75
 - removal of the t stat requirement
 - removal of the relative precision requirement from Table A22
 - the confidence interval change to 90%
2. EECCA requests the following amendments be considered as additional changes in order to make the formulas workable for energy users:
- The degrees of freedom be equal to the number of samples minus the number of parameter minus 1.
 - To allow estimation of a mean from a population as well as regression modelling
 - To include spot measurements of power to estimate energy consumption where no regression is required as an eligible measurement method
 - To actively address the Effective Range restriction that currently treats all models where production increases at a site as being invalid energy models
3. Due to the nature of the roll out of PAIM+V to industry which has involved a number of changes and delays, EECCA submits that the following be considered to assist energy savers that have made commercial decisions to partake in the ESS utilising PIAM+V:
- include a provision for ACPs to create ESCs retrospectively under the new statistical requirements, so that projects that have occurred under a PIAM+V RESA and that had Nominated an ACP prior to Implementation, be eligible to claim ESCS
 - allow ACPS already accredited with a PIAM+V RESA using a Sampling model, the ability to complete a PIAM+V Sampling model claim, under the new statistical requirements, so that the project be eligible to claim ESCS

The above comments are provided on behalf of the EECCA membership.

We thank you for your consideration

Yours sincerely,



Jo Hoatson

Vice President, EECCA

Signature Certificate



Document Reference: JTV9F5ILGKDNSHYUPZ93KZ

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Audit

All parties have signed document. Signed copies sent to: Jo Hoatson and Jo Hoatson.

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