



NSW Department of Planning and Environment – ESS 2017-18 Rule Changes

Energy Savings Scheme Discussion Paper

National Carbon Bank of Australia (NCBA) would like to formally submit the following responses and feedback with regards to the 2017-18 ESS Rule change consultation paper.

1. NCBA agrees with the proposal to preserve preceding transitional arrangements within the ESS Rule.
2. If this question relates to clause 8.8 of the ESS Rule, NCBA agrees with the proposal to preserve preceding transitional arrangements within the Rule
If this question relates to clause 6.8 of the ESS Rule, which appears to be a more logical section of the ESS Rule for this question, NCBA does not agree and believes that the intention to collect additional customer data, namely NMI and DPI data, would not be practical.
 - i. At the lower end - residential buildings, difficulties would arise around obtaining the evidence from unsophisticated residential customers.
 - ii. At the upper end, collecting data from large sites with multiple and virtual NMI's and DPIs would be difficult and, in some cases, the 6.8 forms would have only one space/option to enter the NMI data, thus creating room for error and inaccurate data collection.
 - iii. In addition to this, where original energy savers use energy brokers, they would not have access to their NMI data or their electricity bills detailing the necessary information.
3. NCBA strongly believes that ACPs should not be required to ensure that LED lights installed under the PIAM&V method undergo lighting approval. NCBA believes that the additional time and cost associated with the implementation of Mandatory Product Approval under the PIAM&V Methodology will curtail the installation of energy efficient lighting technology. Imposing additional barriers of entry to the Scheme for these clients is not in the spirit of the PIAM&V Methodology. The indicative costs of obtaining Product Approval for a luminaire, in NCBA's experience, is thousands of dollars, due to the testing required. Further, the timeline for obtaining Product Approval for a LED Luminaire from testing to approval status would be over a year, in NCBA's experience, which would substantially prolong, what is already a long process. The commercial reality of the lighting space is that businesses are using the PIAM&V Methodology to claim LED lighting that is unique to their needs and requirements. NCBA's understanding is informed by our experience with past and current clients, across lights architecturally specified and tailored to the space type. Given the time and monetary costs outlined above, the only cost-effective solution was to claim ESCs under the PIAM&V Methodology. Two illustrative examples that demonstrate how product approval can be extremely limiting are train tunnels (and the like) and hospitals. In both spaces PIAM&V captures significant and real energy savings. The lights manufactured for these spaces are often created specifically for each space and do not then go on to be sold to the wider market. As a result, it is not in the lighting suppliers' nor energy savers' interests to spend significant time and money going through the complex process of product approval. In the absence of this benefit, some energy savings decisions won't be made, poorer lighting outcomes are likely and scheme revenue used to fund further energy savings is lost. This will impact significant energy users that are sophisticated in their decision making due to significant budget constraints that are offset by the ESS. It is also important to note that the lights used in PIAM&V projects, such as cyanosis lamps in hospitals, are generally of a high quality and therefore do not warrant the protective strategy that is product approval.

NCBA suggests, as an alternative approach to a product approval mechanism, that compliance to National Frameworks (including safety) can be met through the provision of the electrical safety certificate. LED Luminaires are already checked for safety by the relevant authorities, and NCBA proposes to produce the Certificate as evidence of such. NCBA understands and recognises that safety is of primary importance to the integrity of the ESS and producing this evidence is therefore worthwhile. However, the Product Approval Mechanism proposed to be implemented mandates the provision of documentation that are not applicable under the PIAM&V Methodology, in comparison to the deemed Commercial Lighting Method. This includes;

1. Data Specifications are already provided to the Customer in most cases at the point of sale and are publicly available.
2. Lamp Circuit Power Lab Test Report is not relevant to the PIAM&V Method as energy consumption is directly measured on site and verified in accordance with the ESS Rule.
3. LM80 and TM-21 Reports are effectively “duplicated” in the measurements of the LCP calculating decay factors and using persistence models. Also, as evidenced in Common Capital’s report, LEDs are now at an extremely high quality, and arguably do not warrant these tests.
4. Electrical magnetic safety → The introduction of EMC testing was around the time (early 1990s) that all ballasts were magnetic. For LEDs, which have electronic control gear, there is only an insignificant magnetic field generated.
4. Yes, we agree with the proposed changes.
5. Yes, providing that it is the same ACP as the original creator of the ESCs, NCBA agrees with allowing ACPs to top up ESCs for one or more consecutive years at the same time. Allowing multiple ACPs to create introduces potential nomination issues.
6. Please see response to question 3.
7. Yes, we agree with the proposal.
8. No, NCBA does not agree with the proposed Asset Lifetime values. We understand the logic of the approach to change the lifetimes but the estimated lifetimes in table 1 are not based on transparent and reliable data that NCBA has been shown. NCBA does not support that the Asset Lifetime should be differentiated by lighting technology type and end-user sector. We believe it should be clear that the Asset Lifetimes are determined and that this should be consistent across the methods.
9. No. We disagree.

In short, most of the HID upgrades are in storage warehouse in BCA class 7 or 8 building, which will experience significant reductions in ESC volumes as a result of the proposed changes.

Based on the implementations from which we have created certificates from in 2017, we expect this will result in an immediate 22% reduction in ESC creation. Despite the current ESC surplus, **we believe that such an abrupt and substantial change will provide both an immediate and enduring upward pressure on the ESC price, increasing the cost of each upgrade, and the scheme, for the NSW taxpayer.** A more appropriate and controlled approach to allow ACPs and ESC purchasers to adjust gradually and provide greater stability in the market would be to introduce smaller changes in a staged approach, say every 6 months.



There is also currently no alternative method that will offset the reduction in ESC creation in commercial lighting. Despite there being a number of existing accreditations in other methods (e.g. PIAM&V).

The changes will also mean that the current ACP fees (per ESC) for creation will go up as the same amount of work will be done for a smaller number of ESCs. This will either inflate the price or result in further reductions in ESC creation beyond the 22% reduction in ESC creation from the factor change. This will put further upward pressure on the ESC price.

10. No, NCBA believes that the proposed Asset Lifetime values should not be rounded to the nearest year. The values should be kept exact and not rounded because the MWh saving value is used to calculate the number of ESCs, and therefore should be calculated as accurately as possible.
11. & 12. No, we do not agree that a Maximum NLP cap should be applied. This is predominantly because flood lights are often of a higher wattage, in particular sports field lighting is required to have a much higher wattage. When a claim is made for lights of a higher wattage, like in all claims, evidence in the form of photographs and a signed CCEW protect the integrity of the claim.
Also, the audit cost is not based on the wattage of the existing lamp wattage, as implied in 5.2.2 of the consultation paper.
13. Yes, NCBA agrees in principle – though the administrative burden will depend on what evidence and paperwork is required to prove the baseline Maintained Emergency Lighting.
14. Yes, we agree with including a “built in” category for mercury vapour and metal halide lamps with integrated ballasts.
15. Yes, we agree with introducing standalone, simplified equations to the public lighting sub-method.
16. Yes, NCBA agrees that BCA Class 3 buildings should become eligible sites under the HEER and ROOA sub-method. However, NCBA requests confirmations BCA Class 3 building will not be subject to the eligibility requirement that “the stand-alone structure used for business purposes with a total floor space of <200m²”.
17. – 22. No response.
23. NCBA agrees with this statement only if it is for Activity Definition E10 (external blinds).
24. No Response
25. NCBA agrees with the proposed table of BCA Climate Zones by postcode.
26. – 30. No Response.
31. Yes, NCBA does agree with ensuring only new boilers or water heaters can be installed under Activity Definitions F8 and F9, as we believe this is a better measure to protect the integrity of the scheme.

Please take all these responses and concerns into consideration, and do contact myself at rob@ncba.net.au or Julia Curry at julia@ncba.net.au if you would like NCBA to comment further on any of the responses written above.

Kind Regards,



Rob McKenna
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National Carbon Bank of Australia