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Consultation on Peak Demand Reduction Scheme

Ecovantage welcomes the opportunity to comment on the Peak Demand Reduction Scheme.

In general Ecovantage supports the proposed methods and the new rule for the PDRS Scheme, however, we are concerned about the introduction of new requirements for some activities in addition to the ESS and exclusion of the Residential hot water from the scheme.

As a general comment, a timely delivery of the rule and future rule changes with enough lead time to allow the ACPs to adjust their systems and process will assist in smooth delivery of this or any program. In our experience the recent rule changes and introduction of new activities in the schemes (ie water heaters) was poorly managed and disorganised. This had a negative impact not only on the ACPs but also the broader scheme participants. We hope that the implementation of the PDRS will learn from this experience and avoid such problems.

More details are discussed in the response to the consultation questions below.

About Ecovantage

Ecovantage was established in 2007 to support businesses and households to reduce energy use and contribute to the fight against climate change through a reduction in emissions. We work within the energy efficiency schemes in New South Wales, Victoria, South Australia and Queensland as well as the national Renewable Energy Target scheme to help businesses and households access incentives for energy efficiency upgrades.

With dedicated teams who are trained and experienced in their roles we offer turn key solutions for our clients that include: Solar & Batteries, Energy Brokering, Tariff optimisation, Hot water upgrades, LED Lighting upgrades, Street lighting installation, measurement and verification and Decarbonisation.

Peak Demand Reduction Scheme - responses to consultation questions

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

Answer- Ecovantage is still unsure about the details of the digital delivery of the rule and how the existing system providers will benefit from the proposed API therefore it is difficult to make specific comments. However the new scheme will benefit from the following improvement :

- Most ACPs are already using software systems to manage their processes and therefore Ecovantage believes that having routine consultation sessions between the main system providers and OECC specially during the early stages of the scheme is necessary. This will benefit most of the operators under the scheme.
- The new Portal replacing GGAS and IPART portal should not only better serve the ESS but need to strongly support the delivery of the PDRS scheme and streamline the processes for ACPs.
- The new portal should provide more transparent and granular data (per upgrade activity rather than method) similar to the VEU program.

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?

Answer- Yes, Ecovantage currently uses both ASAP from Dataforce and Alitsy to deliver ESS activities and will rely on both tools to deliver PDRS activities. Both tools are being used during assessment, sales, installation and compliance stages of the activities.

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?

Answer-Not to our knowledge.

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

Answer- Yes. The open calculation tool will be very useful and assists both ACPs and their system providers to check and verify their internal tools. The responsibility of ensuring the accuracy of the calculation currently sits with ACPs and there is no supporting tool to assist this.

The public calculator will also result in better decision making by ACPs specially at the time of introduction of new activities as it allows them to have a better understanding of the associated certificates with new activities and make more informed decisions for their business delivery models.

- 5. Do you support the draft calculation approach and requirements for each of the technologies in the RDU 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.**

Answer- In general Ecovantage is quite concerned that introducing requirements in addition to existing ESS for some activities listed below without previous communication is against the intention of the scheme and will inadvertently exclude many products that have been installed from 1 April.

Activities with additional requirements:

- HVAC1 has a requirement in addition to D16 where the new or replacement unit must have a demand response capability.
- HVAC2 has a requirement in addition to F4 where the new or replacement unit must have a demand response capability.
- WH1 has a requirement in addition to F16 where the existing water heater was on a continuous load tariff.

Ecovantage strongly believes that there is a significant opportunity in the residential hot water space to upgrade the units on the continuous load and this activity should be included in the new PDRS scheme.

- 6. Should the PDRS have a requirement for the installed End-User Equipment under HVAC1, HVAC2, WH1, WH2 and SYS2 to have DRM 1, 2 and 3 capability under AS/NZS 4755? What are the alternatives?**

Answer- Ecovantage believes that this requirement will possibly create a barrier for certificate supply for the first summer of 2022-2023 but may be considered as the scheme matures.

Considering that projects installed from 1 April 2022 (subject to ACPs accreditation) are eligible to create PRC certificates, in the absence of published requirements prior to 1 April and with this additional requirement for products, many installations will become ineligible.

Possibly a transitional arrangement would be a suitable approach to ensure that the scheme is not excluding the existing installed products prior to introduction of the new rule in August.

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

Answer- The question is not clear, however Ecovantage strongly supports the inclusion of hot water systems under both HEER and IHEAB methods where the existing unit is on continuous tariff.

If a product is on a controlled or off-peak tariff then it must be excluded from the PDRS scheme.

- 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?**

Answer- Ecovantage would like to have more information on:

- registration cost for the PRC certificates
- more information on annual creation under the demand response and demand shifting methods.

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

Answer- Ecovantage would like to suggest the inclusion of PIAM&V, F5&F6 activities , industrial load shifting, batteries (including EV) as well as the smart energy control systems in the PRDS. As specified above we also support the inclusion of hot water systems under both HEER and IHEAB methods where the existing unit is on continuous tariff.

I look forward to working with you further on the PDRS and please feel free to contact me with any questions or concerns with the above.

Kind Regards,

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Ecovantage Pty Ltd