

## National Energy Bill Relief – NSW small business energy usage estimation methodology as at 31 July 2023

### Context

This methodology document outlines the NSW Office of Energy and Climate Change (OECC) accepted methods for energy retailers to estimate small business energy consumption for the purpose of assessing eligibility for National Energy Bill Relief (Bill Relief) payments under the Social Programs for Energy Code Version 7.1 (the Code).

The Code sets out the requirements for Small Business eligibility, as per the table below.

Clause	Purpose
F1.2.3 (f)	Defines <b>methodology document</b> - referring to <i>this</i> document.
F3.3.1	Specifies that retailers must consistently use a methodology from this document throughout the financial year, unless otherwise approved by OECC.
F3.4	Specifies that retailers must apply the Bill Relief payments to small businesses in quarterly instalments, even if the adopted estimation method does not require eligibility to be re-assessed each quarter.

This document outlines OECC expectations of retailers in relation to determining if a business is an ‘eligible small business customer’ with respect to their energy consumption.

This document does not provide any further detail about the other eligibility criteria in the Code.

### Estimation of Business Energy Consumption – Methodologies

Retailers can use either of the two methods set out in this document to determine small business customer consumption for Bill Relief purposes.

Pursuant to F3.3.1 of the Code, retailers must apply the same method consistently to all business customers during 2023-24.

Retailers must seek approval from OECC if they want to use any other method.

### Methodology common to Method 1 and 2

- Business consumption is to be based on the metered consumption only, that is to exclude behind-the-meter generation and consumption.
- Estimate usage in totality across all business locations or accounts that are known to the retailer.

## **Method 1**

### ***Test 1 – The retailer determines if consumption data for the whole of 2022-23 is available for the business***

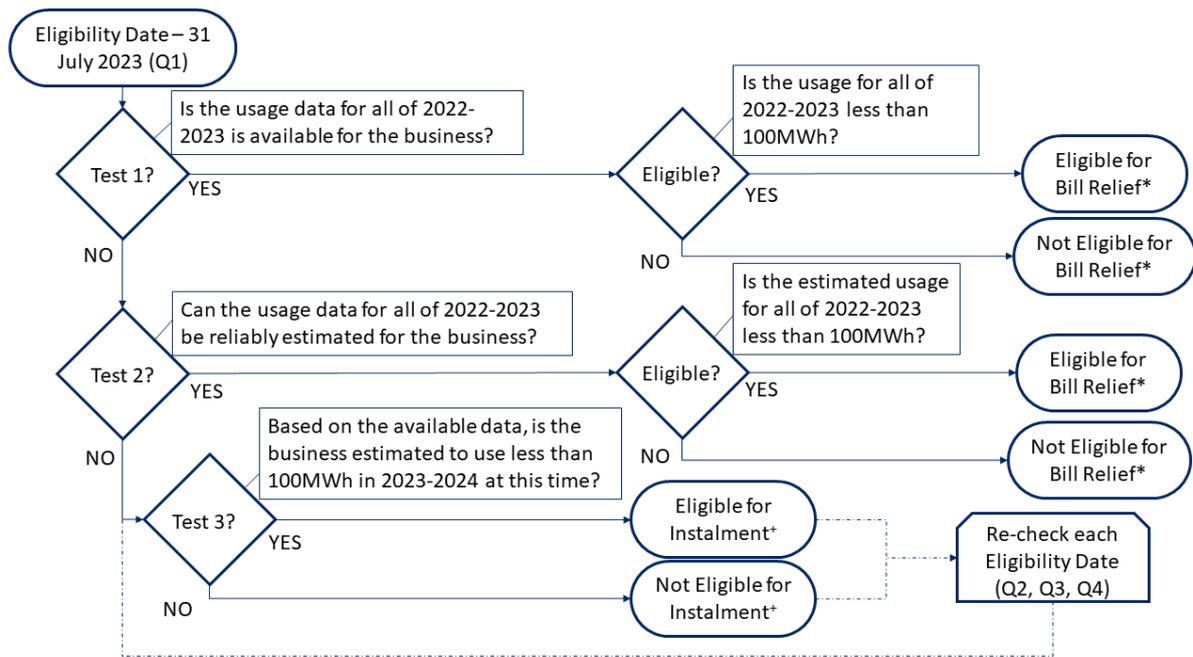
- If this data is available, the business customer is to be considered eligible in 2023-24 if ALL of the following are met:
  - The full 2022-23 financial year data is known for all known sites
  - The total usage in 2022-23 was less than 100MWh
- If the business is eligible by test 1, they will be eligible to receive each quarterly payment for as long as they maintain their account with the retailer.
- No further estimation or consideration of consumption is required for the duration of the financial year.

### ***Test 2 - If the data above is not available, the retailer determines if there is sufficient consumption data from 2022-23 to estimate the total consumption of the business in 2022-23***

- If the retailer determines there is sufficient consumption data to estimate this period, the business customer is to be considered eligible if ALL of the following are met:
  - The full 2022-23 financial year data can be approximated for all known sites
  - The total estimated consumption in 2022-23 is less than 100MWh
- If the business is eligible by test 2, they will be eligible to receive each quarterly payment for as long as they maintain their account with the retailer.
- No further estimation or consideration of consumption is required for the duration of the financial year.

### ***Test 3 - If there is insufficient data for the estimate above, the retailer must complete a rolling estimate each quarter***

- On the eligibility date, the retailer must estimate whether the business is likely to use less than 100MWh in 2023-24, based on all appropriate and available data.
- If the retailer estimates that the business will use less than 100MWh, the business will be eligible to receive that quarterly payment only.
- The retailer will need to reassess the estimate on each eligibility date for this customer.
- The eligibility outcome on each eligibility date stands alone – it is not to be adjusted with respect to subsequent estimates. This means it is possible that a business customer under this means will not receive all quarterly payments.



**Figure 1 - Illustration of the Method 1 process.**

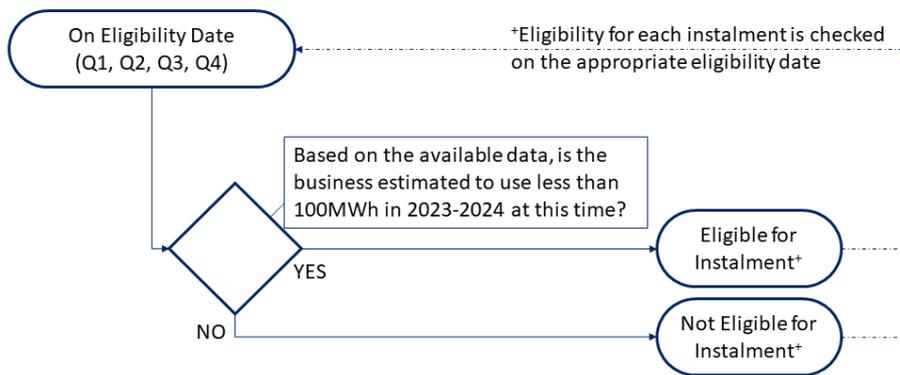
*\*Business accounts that are tested by Test 1 or Test 2 are assessed for the entire 2023-2024 financial year. The business account does not need to be reassessed each quarter – the business should automatically receive each quarterly instalment if eligible on 31 July 2023 and no payments if not eligible on 31 July 2023.*

*\*Business accounts tested by Test 3 must be reassessed in each subsequent quarter on the appropriate eligibility date. It is possible that these accounts may only receive some instalments, as their eligibility may change throughout the year according to their usage estimation. Previous instalments paid or unpaid are not to be changed with regard to changing eligibility outcomes.*

## Method 2

### As per Test 3 above, but applied uniformly to all business customers

- On the eligibility date, the retailer must estimate whether the business is likely to use less than 100MWh in 2023-24, based on all appropriate and available data.
- If the retailer estimates that the business will use less than 100MWh, the business will be eligible to receive that quarterly payment only.
- The retailer will need to reassess the estimate on each eligibility date for this customer.
- The eligibility outcome on each eligibility date stands alone – it is not to be adjusted with respect to subsequent estimates. This means it is possible that a business customer under this means will not receive all quarterly payments.



**Figure 2 - Illustration of the Method 2 process.**

*\*Business accounts must be assessed in each quarter on the appropriate eligibility date to determine their eligibility to receive each instalment. It is possible that businesses may only receive some instalments, as their eligibility may change throughout the year according to their usage estimation. Previous instalments paid or unpaid are not to be changed with regard to changing eligibility outcomes.*

## About this Document

Version: 1.0

Approved by: Director Energy Social Programs

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