The Energy Savings Scheme

Policies for Energy Provider Delivery of Energy Efficiency (PEPDEE) Workshop

Margaret Sniffin
General Manager
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Administrative Structure of the Scheme

Legislation:
- Electricity Supply Act 1995 (the Act)
- Electricity Supply Regulation 2001 (the Regulation)
- Energy Savings Scheme Rule (ESS Rule)
Eight steps for ESS Accredited Certificate Providers (ACPs)

1. Eligibility
2. Quantification
3. Record Keeping
4. Application Package
5. Accreditation
6. RESA Activities
7. ESC Creation
8. Audit & Reporting

“The ESC-Key”
Accreditation time frame
Distribution of projects by sector, by year accredited
Applicants must use one of the specified Calculation Methods:

- Project Impact Assessment Method (PIAM)
- Metered Baseline Method(s) (MBM)
- Deemed Energy Savings Method(s) (DESM)
  - Commercial Lighting Formula
  - Default Savings Factors
Accreditations in ESS

97 accreditations; 153 projects in total*

*As of 12 December 2011
Independent audits used for validation and verification

- Audits conducted by auditors on ESS Audit Panel
- Audits check ESC creation & record keeping
- Audit Regimes based on CPMS Risk matrix

<table>
<thead>
<tr>
<th>Likelihood of invalid ESC creation occurring</th>
<th>Consequence – quantum of invalidly created ESCs</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Minor</td>
</tr>
<tr>
<td>High</td>
<td>Medium Risk</td>
</tr>
<tr>
<td>Medium</td>
<td>Low Risk</td>
</tr>
<tr>
<td>Low</td>
<td>Low Risk</td>
</tr>
</tbody>
</table>
## ESC – Creation & Forfeits

<table>
<thead>
<tr>
<th>Vintage</th>
<th>Total created</th>
<th>Total forfeited*</th>
<th>Forfeit rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009</td>
<td>278,179</td>
<td>22</td>
<td>0.008%</td>
</tr>
<tr>
<td>2010</td>
<td>848,956</td>
<td>44,732</td>
<td>5.269%</td>
</tr>
<tr>
<td>2011</td>
<td>481,082</td>
<td>3,385</td>
<td>0.704%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>1,608,217</strong></td>
<td><strong>48,139</strong></td>
<td><strong>2.993%</strong></td>
</tr>
</tbody>
</table>

*Note: total forfeits include incorrectly registered ESC creation*
Lessons learned

- Balance between upfront assessment & ongoing compliance audits
- Encouraging applications from long-term / sustainable businesses
- Tailoring audit regime to project risk e.g. phone surveys for 3rd party business models
- Importance of clear Scheme documentation – website redevelopment
- Improving efficiency of application assessment process e.g. pre-application workshops
- Being responsive to changes in market (ie growth in commercial lighting)