



energy efficiency certificate creators association

EECCA Submission

ESS Rule Change Consultation

26 January 2018

Energy Efficiency Certificate Creators Association
161 Victoria Parade
Collingwood VIC 3066

Rationale

The Energy Efficiency Certificate Creators Association (EECCA) welcomes the opportunity to provide feedback on the proposed Energy Saving Scheme Rule Change

For more information regarding any of the following information, please contact:

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Responses to Questions in the Consultation Paper

General Rule updates

Question 1: Do you agree with the proposal to preserve preceding transitional arrangements within the Rule? If not, please provide an alternative approach and supporting evidence to justify your response.

EECCA agrees with the proposal to preserve transitional arrangements within the Rule

Question 2: Do you agree with the intention to collect additional customer data, including NMI and DPI? If not, please provide an alternative approach and supporting evidence to justify your response.

EECCA believes that collecting NMI/DPI information would be an administrative burden to ESS activities.

Under some activities it may be practically very difficult and exceptions for some activities may be required like SONA and ROOA.

Project Impact Assessment with Measurement and Verification Method

Question 3: Do you agree with the proposal that ACPs are required to ensure that the LED lights installed under the PIAM&V method meet the relevant equipment requirements outlined in the ESS Rule? If not, please provide an alternative approach and supporting evidence to justify your response.

EECCA would not want to see PIAM&V used as a mechanism to bypass the Commercial Lighting Formula method. However, we do envisage the situation where there is a component of lighting as part of a larger upgrade in a building and ensuring all lights (especially specialised ones) are on the IPART registry may be difficult. Discounting the energy savings for a PIAM&V project with the unregistered lights may be difficult to calculate and difficult to audit. An alternative may be to a maximum percentage of unapproved lighting product to make up a PIAM&V claim.

EECCA supports modified linear LED tube upgrades with the requirement to only register the LED tube and comply to modified linear installation requirements under the Australian Standards.

Question 4: Do you agree with the proposed changes to the Maximum Time Period for Forward Creation when using the default decay factors? If not, please provide an alternative approach and supporting evidence to justify your response.

EECCA supports this change.

Question 5: Do you agree with allowing ACPs to top up ESCs for one or more consecutive years at the same time, provided they calculate Additional Energy Savings for each year separately? If not, please provide an alternative approach and supporting evidence to justify your response.

EECCA supports this change.

Metered Baseline Method

Question 6: Do you agree with the proposal that ACPs are required to ensure that the LED lights installed under the Metered Baseline Method meet the relevant equipment requirements outlined in the ESS Rule? If not, please provide an alternative approach and supporting evidence to justify your response.

Please see our response to Question 3 re PIAM&V. Our views are the same for MBM.

Deemed Energy Savings methods

Question 7: Do you agree with the proposal to update the SONA Equipment Electricity Savings tables? If not, please provide an alternative approach and supporting evidence to justify your response.

EECCA would like the NSW Government to consider an annual adjustment methodology that would have a less deleterious impact on the incentives retailers need to bring about enduring behaviour change.

Question 8: Do you agree with the proposed Asset Lifetime values? If not, please provide an alternative approach and supporting evidence to justify your response.

EECCA does not agree with the proposed Asset Lifetime values. EECCA is concerned that they are not based on transparent and reliable data that reflects.

EECCA does not support that the Asset Lifetime should be differentiated by lighting technology type and end-user sector. The proposed combinations make it more difficult to calculate and explain to stakeholders and participants. We suggest that there may be scope to simplify by consolidating either 'Equipment Groups' or 'Building/Space Group' and blending rates.

Question 9: Do you agree with the proposed transition period? If not, please provide an alternative approach and supporting evidence to justify your response.

EECCA appreciates that the proposed transition period allows business models and contracted work more time to adjust. However, we are concerned that such a substantial change will have immediate and enduring upward pressure on the ESC price, increasing the cost of each upgrade and the scheme. 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.

For example, a typical lighting upgrade:

Project cost \$100

ESC value \$70

Net cost \$30

ROI = 12months

Under proposed new Rule

Project cost \$100
ESC value \$49 (\$70 x 0.7 asset lifetime reduction)
Net cost \$51
ROI = 20.4months

Under the proposed new Rule we would see likely increase in net customer cost and payback/ROI of circa 70%. This will have significant impact on uptake particularly on buildings that are under lease agreements.

Question 10: Do you consider that the proposed Asset Lifetime values should be rounded to the nearest year, or that that the proposal for portions of years is more appropriate?

No comment.

Question 11: Do you agree that a Maximum NLP cap should be applied to all types of HID highbay lamps, or do you think it should only be applied to specific technology types of highbay lamps? Please provide supporting evidence to justify your response.

EECCA does not agree that maximum NLP should be introduced and this may restrict genuine ESS uptake. If there is concern of misreporting this should be dealt with via focused attention in the auditing process.

Question 12: Do you have any comments on the proposed maximum NLP cap?

See question 11.

Question 13: Do you agree with the inclusion of a sub-clause for Maintained Emergency Lighting? If not, please provide an alternative approach and supporting evidence to justify your response.

Yes, EECCA supports this.

Question 14: Do you agree with including a “built in” category for mercury vapour and metal halide lamps with integrated ballasts? If not, please provide an alternative approach and supporting evidence to justify your response.

Yes, EECCA supports this.

Question 15: Do you agree with introducing standalone, simplified equations to the public lighting sub-method? If not, please provide an alternative approach and supporting evidence to justify your response.

Yes, EECCA supports this, but requests that existing ACPs approved under the public lighting for CLF have their RESAs extended to include the new method.

Question 16: Do you agree with allowing BCA Class 3 buildings to become eligible sites under the HEER and ROOA sub-method?

Yes, EECCA supports allowing BCA Class 3 buildings to become eligible sites under the HEER and ROOA sub-methods.

Question 18: Is the warranty period a good indicator of the lifetime of the [draft proofing] product? Is there a better way to distinguish products with longer lifetimes?

No, EEECA does not believe that a warranty period is a good indicator of the lifetime of the draft proofing product and therefore does not believe it is useful to assign DSFs based on product warranty length as per activity definitions E7 And E8.

In practice we observe that generally, long warranties are provided by a manufacturer/distributor only when a prospective customer needs special reassurance e.g. a solar power system, a car. These are 'high involvement' goods where a prospective customer perceives a possible substantial cost/risk overtime if the product should fail. In the case of low cost products where a prospective customer doesn't need special reassurance b/c the perceived cost/risk over time is low, aka 'low involvement goods', a manufacturer/distributor will provide the statutory warranty of 12 months. This is not because the product is likely to last for 12 months only but because offering a longer warranty won't make a material difference to sales volume but could conceivably increase the manufacturer/distributor's risk.

Question 19: Is the ten-year lifetime for fixed chimney dampers reasonable? If not, please provide an alternative approach and supporting evidence to justify your response.

No, ECCA believes the effective lifetime of a fixed chimney damper should be greater than 10 years. An OES would have little/no reason to replace or remove a chimney damper once installed and unlike an electronic appliance such as a lamp or clothes dryer, is entirely mechanical in nature. It is therefore unlikely to fail over extended periods of time, especially considering the little use (opening and closing) it would usually get.

We would like the NSW Government to considered extending the lifetime used to calculate the DSFs in E9 from 5 years in the ESS 2016 Rule to 20 years in the new.

On the matter of requiring a manufacturer's warranty of at least 5 years, we don't believe this is a useful proxy for ensuring the quality of a chimney damper. For further information about this, please see our response to Q19.

Question 20: What evidence could be used to show the requirement that the installed End-User Equipment must allow the egress of air when the exhaust fan is in operation?

Under the HEER lighting activities E1-5, E11, IPART requires that the installer completes and signs a post-implementation declaration. A statement could be included in this or a similar declaration asking the installer to confirm that installation of the damper has not impeded normal operation of the exhaust fan; that the exhaust fan continues to evacuate air from the room post implementation.

IPART might also require of an ACP a pre/post geotagged photo of the implementation, taken by the installer.

Question 21: Is it reasonable to consider the replacement of an existing exhaust fan with a new self-sealing exhaust fan as a high-cost activity to be added into Schedule

D, as opposed to a low-cost activity which would be added in Schedule E?

Yes, EECCA believes that replacement of an existing exhaust fan with a new self-sealing exhaust fan should be treated as a high-cost activity and therefore, added into Schedule D.

Question 25: Please provide any comment on the proposed table of BCA Climate Zones by postcode.

ECCA supports the inclusion of a BCA Climate Zone table as it will remove ambiguity and therefore, commercial risk.

Question 27: Regarding evidence requirements, how can we ensure a pool pump was installed prior to replacement?

Under the HEER lighting activities E1-5, E11, IPART requires that the installer completes and signs a post-implementation declaration. A statement could be included in this or a similar declaration asking the installer to confirm that a pool pump was installed prior to the implementation.

IPART might also require of an ACP a pre/post geotagged photo of the implementation, taken by the installer.

Question 31: Updates to High Efficiency Appliances for Businesses - Do you agree with ensuring only new boilers or water heaters can be installed under Activity Definitions F8 and F9? If not, please provide an alternative approach and supporting evidence to justify your response.

Yes, EECCA 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.