#1

Collector:
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Page 1: Have your say on the Energy Security Target and Safeguard

Q1

Acknowledgement

I understand that survey responses will be published.

Q2

Please provide your contact details (required for verification purposes, contact details will not be published)

Name	**Rob Heathcote**
Company	**HR**
Address	
City	
State	
Postcode	
Email Address	
Phone Number	

Page 2: Part 1: The NSW Energy Security Target

Q3

1. Is the approach to assessing firm capacities from generators, interconnectors and demand response used to meet the EST reasonable and appropriate?

No,
Is there an alternative approach?:
The Government needs to stop subsidising supply for renewables (solar and wind generation) which are inherently unreliable, expensive and cause grid instability. More coal fired/nuclear base load power is required with gas peak demand power provision.

Q4

2. Is the approach to applying the capacity factors for wind and solar generators reasonable and appropriate?

No,
Please explain your response.:
The limiting factors to wind and solar is their minimum supply not capacity factors. There were 8 periods in the last 2 years when the minimum supply from solar and wind generators on the Eastern seaboard was effectively zero.

Q5

3. Are AEMO's maximum demand forecasts appropriate for use in determining the EST?

No,
Should alternatives be considered (e.g. TransGrid's forecasts)?:
I am unsure on this issue.

Q6

4. How often should EST updates be published?

I am unsure on this issue.

Q7

5. Are the entities required to provide information to the EST register that are listed on page 8 suitable and adequate?

Please explain your response.:
I am unsure on this issue.

Q8

6. Is there other information that should be provided for the register beyond that listed on page 8?

I am unsure on this issue.

Q9

7. Are the types of projects that may contribute to meeting the EST described on pages 9 and 10 suitable and adequate?

No,
How could prospective projects, beyond those identified as committed, be considered within the EST forecast for firm capacity?:
Solar and wind should be discounted as future sources of energy generation because they cannot be guaranteed to always produce electricity at peak times. In fact we know they can produce zero power at any time. Batteries and schemes such as Snowy 2 are incredibly expensive and inefficient.

Q10

8. Many market participants already have requirements to report to AEMO or other market bodies. Where do you consider there may be overlap with these existing requirements that the NSW Government could leverage to ensure industry does not need to report twice? Are there other ways the NSW Government could obtain this information?

No comments on this issue.

Page 3: Part 2: Energy Security Safeguard

Q11

9. What would be a reasonable commencement date for the new energy saving and peak demand reduction targets? Please provide an explanation for your response.

Don't introduce it.

Q12

10. Could elements of either scheme, such as the early accreditation of certificates ahead of surrendering requirements, be brought forward? Please provide an explanation for your response.

No comment

Q13

11. What support does industry need to prepare for the introduction of the scheme? Please provide an explanation for your response.

No comment

Page 4: Part 2.1: Energy efficiency

Q14

12. What issues should the NSW Government consider when setting targets to 2030? At what rate should the targets be increased to reach 13% by 2030?

The NSW Government should remove its targets for renewable energy.
They have no hope of changing the world's climate.

Q15

13. What are the most promising opportunities once commercial lighting reaches market maturity? What is the likely size and cost of these opportunities?

No comment

Q16

14. What would prevent the uptake of new opportunities? What support (including new standards and calculation methods) does industry need to transition to new opportunities?

Cheap reliable electricity supply is needed not expensive unreliable renewable supply.

Q17

15. What additional data sources are available that could inform assessment of the size and cost of the energy efficiency opportunity in New South Wales? Refer to Appendix B for technical assumptions.

No comment

Q18

16. What feedback can you provide to improve the other modelling assumptions set out in Appendix B?

No comment

Q19

17. Is the current penalty rate set at an appropriate level to incentivise retailers to buy and surrender certificates?

Please explain your response.:

No comment

Q20

18. Should small retailers be exempt?

If so, up to what size?:

No comment

Q21

19. Which cleaner fuel switching activities should the scheme provide incentives for?

Nuclear for base load and gas for peak load

Q22

20. Should the scheme cover technologies that are being wound down under the Small-scale Renewable Energy Scheme?

If so, what is the best way to do this?:

No comment

Q23

21. How should energy savings be counted for these cleaner fuel switching activities?

No comment

Q24

22. What would be the likely scale of uptake of cleaner fuel switching activities? Please consider the number, size, and cost of projects.

No comment

Q25

23. Under what circumstances should the NSW Government consider extending scheme liability beyond the electricity sector?

No comment

Page 5: Part 2.2: Peak demand reduction

Q26

24. How can the scheme’s certificates best capture capacity, timing, duration and availability factor?

Get rid of the scheme and all renewable energy subsidies.

Q27

25. Who is best placed to manage the financial risk that capacity is not made available when needed?

Governments have created this risk with reckless renewable energy targets and subsidies making sensible investment impossible.

Q28

26. Are there other activities the NSW Government should consider for inclusion in the peak demand reduction scheme?

Yes, getting out of paying subsidies and ridiculous targets such as the 2050 one.

Q29

27. What is the size and cost of the peak demand reduction opportunity available in New South Wales?

No comment

Q30

28. Are there alternative ways in which the peak demand scheme could complement national schemes?

No comment

Q31

29. What are the key issues, and potential mitigation measures, the NSW Government should consider on consumer protection?

Stop interfering in the market

Q32

30. Which calculation methods should be developed first?

No comment

Q33

31. Should location-based multipliers or activities that are specific to certain locations be considered?

No comment

Q34

32. What are your views on the proposed approach to scheme liability? Please align your response with the topics presented in the paper (pages 32 and 34).

No comment

Q35

33. What would be the implications for the available dependable peak demand reduction capacity in New South Wales if the scheme allows carry forward?

No comment

Q36

34. What qualifications should certificate providers be required to have?

No comment

Q37

35. Should certificates expire every compliance year or should they be transferable to future compliance years?

What implications would your preferred approach have for ensuring dependable peak demand reduction capacity in New South Wales?:
A market based approach not a renewable fantasy

Page 6: Part 2.3: Scheme administration and regulation

Q38

36. What is working well for the administration and regulation of the ESS? What features would you want to see continuing, and potentially replicated for the peak demand reduction scheme?

Respondent skipped this question

Q39

37. Should the annual Rule review and three-year major Rule review process for the ESS and new peak scheme be changed or is it working effectively?

Respondent skipped this question

Q40

38. Would the ideas on page 38 help make the Safeguard more customer-centric?

Respondent skipped this question

Q41

39. What improvements could be made to the administration and regulation of the ESS that would encourage the creation of effective energy saving activities? Please provide an explanation for your response, including an indication of your key priorities.

Respondent skipped this question

Q42

40. Who should be responsible for developing the capability of service providers to deliver effective activities, the Scheme Administrator or the Department?

Respondent skipped this question

Q43

Respondent skipped this question

41. What is the best way to develop the capabilities of service providers?

Q44

Respondent skipped this question

42. What are your views on the options on pages 39 - 41 to enhance the compliance and enforcement framework of the ESS?

Q45

Respondent skipped this question

43. Are the current provisions for the NCAT review of decisions by the Scheme Regulator and Administrator sufficient?

Q46

Respondent skipped this question

44. What key performance indicators and service standards should be considered for the Scheme Regulator and Administrator?

Q47

Respondent skipped this question

45. What else can the NSW Government do to ensure the continuous improvement of the ESS?

Q48

Respondent skipped this question

46. Do you have any other feedback about the Energy Security Target and Safeguard that has not been covered by the previous questions?

#2

Collector:
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Page 1: Have your say on the Energy Security Target and Safeguard

Q1 **I understand that survey responses will be published.**

Acknowledgement

Q2

Please provide your contact details (required for verification purposes, contact details will not be published)

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Page 2: Part 1: The NSW Energy Security Target

Q3 **Respondent skipped this question**

1. Is the approach to assessing firm capacities from generators, interconnectors and demand response used to meet the EST reasonable and appropriate?

Q4 **Respondent skipped this question**

2. Is the approach to applying the capacity factors for wind and solar generators reasonable and appropriate?

Q5 **Respondent skipped this question**

3. Are AEMO’s maximum demand forecasts appropriate for use in determining the EST?

Q6 **Respondent skipped this question**

4. How often should EST updates be published?

Q7

Respondent skipped this question

5. Are the entities required to provide information to the EST register that are listed on page 8 suitable and adequate?

Q8

Respondent skipped this question

6. Is there other information that should be provided for the register beyond that listed on page 8?

Q9

Respondent skipped this question

7. Are the types of projects that may contribute to meeting the EST described on pages 9 and 10 suitable and adequate?

Q10

Respondent skipped this question

8. Many market participants already have requirements to report to AEMO or other market bodies. Where do you consider there may be overlap with these existing requirements that the NSW Government could leverage to ensure industry does not need to report twice? Are there other ways the NSW Government could obtain this information?

Page 3: Part 2: Energy Security Safeguard

Q11

Respondent skipped this question

9. What would be a reasonable commencement date for the new energy saving and peak demand reduction targets? Please provide an explanation for your response.

Q12

Respondent skipped this question

10. Could elements of either scheme, such as the early accreditation of certificates ahead of surrendering requirements, be brought forward? Please provide an explanation for your response.

Q13

Respondent skipped this question

11. What support does industry need to prepare for the introduction of the scheme? Please provide an explanation for your response.

Page 4: Part 2.1: Energy efficiency

Q14

Respondent skipped this question

12. What issues should the NSW Government consider when setting targets to 2030? At what rate should the targets be increased to reach 13% by 2030?

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Respondent skipped this question

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Q16

Respondent skipped this question

14. What would prevent the uptake of new opportunities? What support (including new standards and calculation methods) does industry need to transition to new opportunities?

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Respondent skipped this question

15. What additional data sources are available that could inform assessment of the size and cost of the energy efficiency opportunity in New South Wales? Refer to Appendix B for technical assumptions.

Q18

Respondent skipped this question

16. What feedback can you provide to improve the other modelling assumptions set out in Appendix B?

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Respondent skipped this question

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Respondent skipped this question

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Respondent skipped this question

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Q22

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20. Should the scheme cover technologies that are being wound down under the Small-scale Renewable Energy Scheme?

Q23

Respondent skipped this question

21. How should energy savings be counted for these cleaner fuel switching activities?

Q24

Respondent skipped this question

22. What would be the likely scale of uptake of cleaner fuel switching activities? Please consider the number, size, and cost of projects.

Q25

Respondent skipped this question

23. Under what circumstances should the NSW Government consider extending scheme liability beyond the electricity sector?

Page 5: Part 2.2: Peak demand reduction

Q26

Respondent skipped this question

24. How can the scheme's certificates best capture capacity, timing, duration and availability factor?

Q27

Respondent skipped this question

25. Who is best placed to manage the financial risk that capacity is not made available when needed?

Q28

26. Are there other activities the NSW Government should consider for inclusion in the peak demand reduction scheme?

As the NSW Energy Savings Scheme (ESS) recognises, old refrigerators are one of the biggest energy consumers in the home, using up to three times the energy of a modern refrigerator.

Further, as the Consultation Paper's Executive Summary and Section 2.2 correctly note, refrigerators use more energy at peak times.

Refrigerators use at least 40% more power during summer peak periods than on average throughout the year, according to a current California Energy Commission analysis (https://ww2.energy.ca.gov/2019publications/CEC-500-2019-046/CEC-500-2019-046.pdf). That study shows that refrigerators there draw about 40% more power on an average summer day between 2 p.m. and 8 p.m. than on average throughout the year, and about 30% less-than-average power on average Winter nights between midnight and 6 a.m. While beyond the scope of that study, it's reasonable to expect that extremely hot summer days drive even greater concentration of refrigerator energy use in peak periods.

The correlation with overall grid peak demand may be even more significant in the case of old refrigerators as they not only use more energy overall but compounding this, their efficiency declines by about 1-3% per year as seals degenerate and leak and as compressors wear.

This makes removing old refrigerators not merely an effective residential energy efficiency measure but also an effective residential peak demand savings initiative, as well. This acitivity should be included in the list of eligible peak demand reduction activities.

Q29

27. What is the size and cost of the peak demand reduction opportunity available in New South Wales?

With respect to old and inefficient refrigerators, NSW has amongst the highest 2nd fridge ownership rates in the world at some 40% of detached homes. In NSW, there are an estimated 400,000 2nd fridges, the overwhelming bulk of which are old and inefficient and many of which are very lightly used.

Q30

Respondent skipped this question

28. Are there alternative ways in which the peak demand scheme could complement national schemes?

Q31

Respondent skipped this question

29. What are the key issues, and potential mitigation measures, the NSW Government should consider on consumer protection?

Q32

Respondent skipped this question

30. Which calculation methods should be developed first?

Q33

Respondent skipped this question

31. Should location-based multipliers or activities that are specific to certain locations be considered?

Q34

Respondent skipped this question

32. What are your views on the proposed approach to scheme liability? Please align your response with the topics presented in the paper (pages 32 and 34).

Q35

Respondent skipped this question

33. What would be the implications for the available dependable peak demand reduction capacity in New South Wales if the scheme allows carry forward?

Q36

Respondent skipped this question

34. What qualifications should certificate providers be required to have?

Q37

Transferable to future compliance years

35. Should certificates expire every compliance year or should they be transferable to future compliance years?

Page 6: Part 2.3: Scheme administration and regulation

Q38

36. What is working well for the administration and regulation of the ESS? What features would you want to see continuing, and potentially replicated for the peak demand reduction scheme?

Respondent skipped this question

Q39

37. Should the annual Rule review and three-year major Rule review process for the ESS and new peak scheme be changed or is it working effectively?

Respondent skipped this question

Q40

38. Would the ideas on page 38 help make the Safeguard more customer-centric?

Respondent skipped this question

Q41

39. What improvements could be made to the administration and regulation of the ESS that would encourage the creation of effective energy saving activities? Please provide an explanation for your response, including an indication of your key priorities.

Respondent skipped this question

Q42

40. Who should be responsible for developing the capability of service providers to deliver effective activities, the Scheme Administrator or the Department?

Respondent skipped this question

Q43

41. What is the best way to develop the capabilities of service providers?

Respondent skipped this question

Q44

42. What are your views on the options on pages 39 - 41 to enhance the compliance and enforcement framework of the ESS?

Respondent skipped this question

Q45

43. Are the current provisions for the NCAT review of decisions by the Scheme Regulator and Administrator sufficient?

Respondent skipped this question

Q46

44. What key performance indicators and service standards should be considered for the Scheme Regulator and Administrator?

Respondent skipped this question

Q47

Respondent skipped this question

45. What else can the NSW Government do to ensure the continuous improvement of the ESS?

Q48

Respondent skipped this question

46. Do you have any other feedback about the Energy Security Target and Safeguard that has not been covered by the previous questions?

#3 -

Collector:
Started:
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IP Address:

Page 1: Have your say on the Energy Security Target and Safeguard

Q1 **I understand that survey responses will be published.**

Acknowledgement

Q2

Please provide your contact details (required for verification purposes, contact details will not be published)

Name	**Virpi Barrett**
Company	**Enova Energy Pty Ltd**
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Email Address	
Phone Number	

Page 2: Part 1: The NSW Energy Security Target

Q3 **Respondent skipped this question**

1. Is the approach to assessing firm capacities from generators, interconnectors and demand response used to meet the EST reasonable and appropriate?

Q4 **Respondent skipped this question**

2. Is the approach to applying the capacity factors for wind and solar generators reasonable and appropriate?

Q5 **Respondent skipped this question**

3. Are AEMO’s maximum demand forecasts appropriate for use in determining the EST?

Q6 **Respondent skipped this question**

4. How often should EST updates be published?

Q7

Respondent skipped this question

5. Are the entities required to provide information to the EST register that are listed on page 8 suitable and adequate?

Q8

Respondent skipped this question

6. Is there other information that should be provided for the register beyond that listed on page 8?

Q9

Respondent skipped this question

7. Are the types of projects that may contribute to meeting the EST described on pages 9 and 10 suitable and adequate?

Q10

Respondent skipped this question

8. Many market participants already have requirements to report to AEMO or other market bodies. Where do you consider there may be overlap with these existing requirements that the NSW Government could leverage to ensure industry does not need to report twice? Are there other ways the NSW Government could obtain this information?

Page 3: Part 2: Energy Security Safeguard

Q11

Respondent skipped this question

9. What would be a reasonable commencement date for the new energy saving and peak demand reduction targets? Please provide an explanation for your response.

Q12

Respondent skipped this question

10. Could elements of either scheme, such as the early accreditation of certificates ahead of surrendering requirements, be brought forward? Please provide an explanation for your response.

Q13

Respondent skipped this question

11. What support does industry need to prepare for the introduction of the scheme? Please provide an explanation for your response.

Page 4: Part 2.1: Energy efficiency

Q14

12. What issues should the NSW Government consider when setting targets to 2030? At what rate should the targets be increased to reach 13% by 2030?

An earlier increase in targets have a greater impact on environment. Therefore, the target should increase as rapidly as possible. However, the on-set has to be in line with the industry's ability to create certificates.

It is important for retailers to be able to budget and plan the costs related to the certificates. An upfront fixed liability percentage and a market cap set by penalty price serves this purpose well. However, if there is shortage of certificates on the market, it would be good to have a mechanism to carry forward shortfalls rather than to pay penalties. Such mechanism would also provide flexibility for the regulator in unexpected situations like COVID-19. A carry forward mechanism is preferable over penalty, because the money spent on certificates will create energy efficiency measures, unlike the money spent on penalties.

Q15

Respondent skipped this question

13. What are the most promising opportunities once commercial lighting reaches market maturity? What is the likely size and cost of these opportunities?

Q16

Respondent skipped this question

14. What would prevent the uptake of new opportunities? What support (including new standards and calculation methods) does industry need to transition to new opportunities?

Q17

Respondent skipped this question

15. What additional data sources are available that could inform assessment of the size and cost of the energy efficiency opportunity in New South Wales? Refer to Appendix B for technical assumptions.

Q18

Respondent skipped this question

16. What feedback can you provide to improve the other modelling assumptions set out in Appendix B?

Q19

Yes

17. Is the current penalty rate set at an appropriate level to incentivise retailers to buy and surrender certificates?

Q20

18. Should small retailers be exempt?

Yes,
If so, up to what size?:
Retailers with a notional load under 100,000 MWh per annum should be exempted. This limit captures a large number of small retailers who provide important competition to the market, but whose combined impact on the certificate market is insignificant. For these retailers the cost of acquiring certificates is higher due to the lack of buying power and small deal size. Also the administration of the scheme and audit cost is disproportionate to the overall benefit of the activities. It is also reasonable to waive the external audit requirement from small retailers. The external audit could be substituted by statutory declaration combined with provision of evidence related to the portfolio size, for example the Energy Acquisition Statement provided to Clean Energy Regulator. The size limit to external audit requirement can be different from the above exemption limit. To enforce the integrity, the regulator may keep the right to request an external audit post submission. The comments above apply to Peak demand reduction scheme as well as Energy efficiency scheme.

Q21

19. Which cleaner fuel switching activities should the scheme provide incentives for?

Respondent skipped this question

Q22

20. Should the scheme cover technologies that are being wound down under the Small-scale Renewable Energy Scheme?

Respondent skipped this question

Q23

21. How should energy savings be counted for these cleaner fuel switching activities?

Respondent skipped this question

Q24

22. What would be the likely scale of uptake of cleaner fuel switching activities? Please consider the number, size, and cost of projects.

Respondent skipped this question

Q25

23. Under what circumstances should the NSW Government consider extending scheme liability beyond the electricity sector?

Gas retailers and users should be included, in particular in the case that certificate creation activities include gas measures.

Page 5: Part 2.2: Peak demand reduction

Q26

Respondent skipped this question

24. How can the scheme's certificates best capture capacity, timing, duration and availability factor?

Q27

Respondent skipped this question

25. Who is best placed to manage the financial risk that capacity is not made available when needed?

Q28

Respondent skipped this question

26. Are there other activities the NSW Government should consider for inclusion in the peak demand reduction scheme?

Q29

Respondent skipped this question

27. What is the size and cost of the peak demand reduction opportunity available in New South Wales?

Q30

28. Are there alternative ways in which the peak demand scheme could complement national schemes?

Considering the existing complexity or various federal, state-based and voluntary environmental schemes and off-setting programs retailers manage today, simplicity should be a key objective when designing the liability side of the scheme.

Though peak reduction impact is based on the peak MW, the liability does not have to follow a strict causer pays logic. The intention is to improve the market functionality, which will collectively benefit all consumers through lower wholesale prices and improved reliability and thus all consumers should take part in subsidising these activities.

Even if it is logical to allocate the cost of reducing the peak on those who have high peak time usage, the pricing strategies and different customer mix (and thus load profiles) of various retailers will probably hide this effect through cross-subsidies anyway.

Therefore the peak reduction activities should rather create same certificates as Energy efficiency scheme activities do. This would not only significantly simplify the scheme administration on retailers and for the regulator, but also strengthen the certificate market, which is currently very thin and illiquid. The annual target can be increased to create enough demand for both activities.

Each activity could have a coefficient factor assigned to adjust the amount of certificates that can be created. The Regulator can then adjust the amount of certificates each activity is eligible for, to ensure sufficient subsidy for each activity. A regular review process of such coefficient factor would also allow the Regulator to adjust the subsidy of each activity as the technologies mature and reach commercial scale.

Q31

Respondent skipped this question

29. What are the key issues, and potential mitigation measures, the NSW Government should consider on consumer protection?

Q32

Respondent skipped this question

30. Which calculation methods should be developed first?

Q33

31. Should location-based multipliers or activities that are specific to certain locations be considered?

Respondent skipped this question

Q34

32. What are your views on the proposed approach to scheme liability? Please align your response with the topics presented in the paper (pages 32 and 34).

Allocating the target: Option 2 is supported

Considering the existing complexity or various federal, state-based and voluntary environmental schemes and off-setting programs retailers manage today, simplicity should be a key objective when designing the liability side of the scheme.

Though peak reduction impact is based on peak MW, the liability does not have to follow a strict causer pays logic. The intention is to improve the market functionality, which will collectively benefit all consumers through lower wholesale prices and reliability and thus all consumers should take part in subsidising these activities.

Even if it is logical to allocate the cost of reducing the peak on those who have high peak time usage, the pricing strategies and different customer mix (and thus load profiles) of various retailers will probably hide this effect through cross-subsidies anyway.

Q35

33. What would be the implications for the available dependable peak demand reduction capacity in New South Wales if the scheme allows carry forward?

Respondent skipped this question

Q36

34. What qualifications should certificate providers be required to have?

Respondent skipped this question

Q37

35. Should certificates expire every compliance year or should they be transferable to future compliance years?

Transferable to future compliance years,
What implications would your preferred approach have for ensuring dependable peak demand reduction capacity in New South Wales?:
It provides more flexibility and stability for the market. It allows surplus of certificates to be created with minimal price volatility. Volatile price only benefits traders, whereas stable price benefits both sides of the market: cost certainty allows retailers to apply lower risk margin in pricing and budgeting; and installers can rely on the discount they offer to the customer being funded by the certificate sale at a later date.

Page 6: Part 2.3: Scheme administration and regulation

Q38

Respondent skipped this question

36. What is working well for the administration and regulation of the ESS? What features would you want to see continuing, and potentially replicated for the peak demand reduction scheme?

Q39

Respondent skipped this question

37. Should the annual Rule review and three-year major Rule review process for the ESS and new peak scheme be changed or is it working effectively?

Q40

Respondent skipped this question

38. Would the ideas on page 38 help make the Safeguard more customer-centric?

Q41

Respondent skipped this question

39. What improvements could be made to the administration and regulation of the ESS that would encourage the creation of effective energy saving activities? Please provide an explanation for your response, including an indication of your key priorities.

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Respondent skipped this question

43. Are the current provisions for the NCAT review of decisions by the Scheme Regulator and Administrator sufficient?

Q46

Respondent skipped this question

44. What key performance indicators and service standards should be considered for the Scheme Regulator and Administrator?

Q47

45. What else can the NSW Government do to ensure the continuous improvement of the ESS?

The scheme rules could be further developed in a way that enables the regulator to react quickly and efficiently to unexpected situations, like COVID-19 presented. Though the concession offered to eligible retailers regarding compliance year 2019 was a great example of flexibility already included in the ESS scheme, these powers could be even more effective. For example, if such situation was prolonged and would lead to a closure of a significant portion of certificate creating activities, the regulator should have the power to quickly reduce the liability targets or increase carry-forward allowances.

Another much needed improvement is a routine adjustment process for the liability calculations. The current scheme dead-line do not allow to wait for the final AEMO figures and similarly some of the rooftop-solar may go unaccounted. We are a living example of the retailer of the future, with a customer mix that includes triple the industry average of rooftop solar. One of the side effects of such portfolio is a large and seasonally changing settlement error in the AEMO processes. As a result we systematically surrender higher amount of certificates than what our true liability is. However, as a small retailer, it is still cheaper to write off the error than to pay the extra audit costs of an adjustment. There are two alternative ways to avoid this: extending the dead-line, which allows more accurate data to be used or including a routine adjustment process of the previous year, similarly as in the federal Renewable Energy Target scheme.

Q48

Respondent skipped this question

46. Do you have any other feedback about the Energy Security Target and Safeguard that has not been covered by the previous questions?

#4 -

Collector:
Started:
Last Modified:
Time Spent:
IP Address:

Page 1: Have your say on the Energy Security Target and Safeguard

Q1 **I understand that survey responses will be published.**

Acknowledgement

Q2

Please provide your contact details (required for verification purposes, contact details will not be published)

Name	**Katie Ball**
Company	**Maoneng Australia Pty Ltd**
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Postcode	
Email Address	
Phone Number	

Page 2: Part 1: The NSW Energy Security Target

Q3

1. Is the approach to assessing firm capacities from generators, interconnectors and demand response used to meet the EST reasonable and appropriate?

Yes,

Is there an alternative approach?:

The approach to assessing firm capacities for the purpose of meeting the EST is appropriate in part to the extent that these capacities are reliable and directly accessible by AEMO. However, Maoneng identifies two main concerns that may impact the efficacy of this approach. First, there is currently no obligation under the rules to require generators to generate electricity at their firm capacities, or at all. Maoneng believes that some form of scheme should be introduced to require generators to generate and be on 'stand by' for the purpose of ensuring that the EST can be met. Second, as indicated in the Consultation Paper, the NSW Government is not considering the significant impact that decentralised rooftop solar, battery storage, and generators below 5MW that are exempt from AEMO registration will have on the EST. These smaller generators are currently not monitored, controlled or forecasted by AEMO, however, demand is becoming increasingly variable because of these types of distributed energy resources (DERs). As AEMO explores ways to monitor these DERs, Maoneng believes the EST would be improved if the NSW Government considered their impacts.

Q4

2. Is the approach to applying the capacity factors for wind and solar generators reasonable and appropriate?

No,

Please explain your response.:

Capacity factor is a good indication of average generation, however, it may not be suitable to measure actual or reliable generation for wind and solar plants. A more accurate and nuanced indication of generation would be achieved if generators provided seasonal generation volumes with time of day dispatch profiles. Maoneng further believes that generator curtailment due to recent major network issues should be considered when defining the relationship between the EST and capacity factors.

Q5

3. Are AEMO’s maximum demand forecasts appropriate for use in determining the EST?

Yes,

Should alternatives be considered (e.g. TransGrid’s forecasts)?:

AEMO's maximum demand forecasts are appropriate for use in helping to determine the EST, but these forecasts alone are not sufficient. As highlighted in Maoneng's response to Part 1: Question 1, small scale rooftop solar and household energy storage are growing in popularity and significantly affect both the supply and demand side of the network, but AEMO does not currently have visibility over these generators/loads. Maoneng believes it is essential for these types of DERs to be considered when setting the EST, whether by using alternative forecasts that consider DERs or by further integrating them into the NEM and into AEMO's forecasts.

Q6

4. How often should EST updates be published?

EST updates should be published every 6 months to inform industry on the status of targets and to provide an update on requirements to meet the EST.

Q7

5. Are the entities required to provide information to the EST register that are listed on page 8 suitable and adequate?

Yes,
Please explain your response.:
The entities listed on page 9 of the Consultation Paper are suitable and adequate to provide information to the EST register. However, in order for the register to truly reflect the progress of any potential, planned or current project, it is important that the register is updated on a quarterly basis rather than an adhoc basis to account for variations to project schedules. Indeed, projects that are 'committed' with known timings in relation to all five of the commitment criteria (site, components, planning, finance and date) are often delayed due to reasons outside of the project's control. Timing is particularly impacted by financing issues, even if a project has a development approval and a grid connection agreement. Certainty of commencement of project construction is at its highest once financial close of the project has been achieved. Further, this issue may be exacerbated by the recent changes to Australia's foreign investment framework that requires all foreign investment to be considered by the Foreign Investment Review Board (FIRB).

Q8

6. Is there other information that should be provided for the register beyond that listed on page 8?

Maoneng believes that the following additional information should be provided for the EST register:
- ownership of the project
- the investors behind SPVs
- details of the project's revenue model (power purchase agreement, merchant, feed in tariff etc)
- whether the project has been awarded any government grants/funding
- operating restrictions and conditions that are placed on the project
- project location and capacity (to indicate the potential curtailment of generation due to network constraint, which may impact forecast accuracy)
- generator type/technology (e.g. fixed tilt bifacial solar panels, lithium ion battery etc)
- expected timing of project milestones (e.g. development approval, offer to connect, financial close and commercial operation date).

Q9

7. Are the types of projects that may contribute to meeting the EST described on pages 9 and 10 suitable and adequate?

Yes,
How could prospective projects, beyond those identified as committed, be considered within the EST forecast for firm capacity?:
Maoneng believes that the projects listed on pages 9 and 10 of the Consultation Paper are suitable to contribute to meeting the EST. However, please also refer to our response to Part 1: Question 1 above which considers the impacts that DER projects (such as Virtual Power Plants and small generators under 5MW) may have on meeting the EST.

Q10

8. Many market participants already have requirements to report to AEMO or other market bodies. Where do you consider there may be overlap with these existing requirements that the NSW Government could leverage to ensure industry does not need to report twice? Are there other ways the NSW Government could obtain this information?

The NSW Government could request that AEMO shares certain information provided by market participants on a secure platform requiring passwords to login.

Page 3: Part 2: Energy Security Safeguard

Q11

9. What would be a reasonable commencement date for the new energy saving and peak demand reduction targets? Please provide an explanation for your response.

Respondent skipped this question

Q12

10. Could elements of either scheme, such as the early accreditation of certificates ahead of surrendering requirements, be brought forward? Please provide an explanation for your response.

Respondent skipped this question

Q13

11. What support does industry need to prepare for the introduction of the scheme? Please provide an explanation for your response.

Respondent skipped this question

Page 4: Part 2.1: Energy efficiency

Q14

12. What issues should the NSW Government consider when setting targets to 2030? At what rate should the targets be increased to reach 13% by 2030?

Respondent skipped this question

Q15

13. What are the most promising opportunities once commercial lighting reaches market maturity? What is the likely size and cost of these opportunities?

Respondent skipped this question

Q16

14. What would prevent the uptake of new opportunities? What support (including new standards and calculation methods) does industry need to transition to new opportunities?

Respondent skipped this question

Q17

15. What additional data sources are available that could inform assessment of the size and cost of the energy efficiency opportunity in New South Wales? Refer to Appendix B for technical assumptions.

Respondent skipped this question

Q18

16. What feedback can you provide to improve the other modelling assumptions set out in Appendix B?

Respondent skipped this question

Q19

17. Is the current penalty rate set at an appropriate level to incentivise retailers to buy and surrender certificates?

Respondent skipped this question

Q20

18. Should small retailers be exempt?

Respondent skipped this question

Q21

19. Which cleaner fuel switching activities should the scheme provide incentives for?

Respondent skipped this question

Q22

20. Should the scheme cover technologies that are being wound down under the Small-scale Renewable Energy Scheme?

Respondent skipped this question

Q23

21. How should energy savings be counted for these cleaner fuel switching activities?

Respondent skipped this question

Q24

Respondent skipped this question

22. What would be the likely scale of uptake of cleaner fuel switching activities? Please consider the number, size, and cost of projects.

Q25

Respondent skipped this question

23. Under what circumstances should the NSW Government consider extending scheme liability beyond the electricity sector?

Page 5: Part 2.2: Peak demand reduction

Q26

Respondent skipped this question

24. How can the scheme's certificates best capture capacity, timing, duration and availability factor?

Q27

Respondent skipped this question

25. Who is best placed to manage the financial risk that capacity is not made available when needed?

Q28

Respondent skipped this question

26. Are there other activities the NSW Government should consider for inclusion in the peak demand reduction scheme?

Q29

Respondent skipped this question

27. What is the size and cost of the peak demand reduction opportunity available in New South Wales?

Q30

Respondent skipped this question

28. Are there alternative ways in which the peak demand scheme could complement national schemes?

Q31

Respondent skipped this question

29. What are the key issues, and potential mitigation measures, the NSW Government should consider on consumer protection?

Q32

Respondent skipped this question

30. Which calculation methods should be developed first?

Q33

Respondent skipped this question

31. Should location-based multipliers or activities that are specific to certain locations be considered?

Q34

Respondent skipped this question

32. What are your views on the proposed approach to scheme liability? Please align your response with the topics presented in the paper (pages 32 and 34).

Q35

Respondent skipped this question

33. What would be the implications for the available dependable peak demand reduction capacity in New South Wales if the scheme allows carry forward?

Q36

Respondent skipped this question

34. What qualifications should certificate providers be required to have?

Q37

Respondent skipped this question

35. Should certificates expire every compliance year or should they be transferable to future compliance years?

Page 6: Part 2.3: Scheme administration and regulation

Q38

Respondent skipped this question

36. What is working well for the administration and regulation of the ESS? What features would you want to see continuing, and potentially replicated for the peak demand reduction scheme?

Q39

Respondent skipped this question

37. Should the annual Rule review and three-year major Rule review process for the ESS and new peak scheme be changed or is it working effectively?

Q40

Respondent skipped this question

38. Would the ideas on page 38 help make the Safeguard more customer-centric?

Q41

Respondent skipped this question

39. What improvements could be made to the administration and regulation of the ESS that would encourage the creation of effective energy saving activities? Please provide an explanation for your response, including an indication of your key priorities.

Q42

40. Who should be responsible for developing the capability of service providers to deliver effective activities, the Scheme Administrator or the Department?

Respondent skipped this question

Q43

41. What is the best way to develop the capabilities of service providers?

Respondent skipped this question

Q44

42. What are your views on the options on pages 39 - 41 to enhance the compliance and enforcement framework of the ESS?

Respondent skipped this question

Q45

43. Are the current provisions for the NCAT review of decisions by the Scheme Regulator and Administrator sufficient?

Respondent skipped this question

Q46

44. What key performance indicators and service standards should be considered for the Scheme Regulator and Administrator?

Respondent skipped this question

Q47

45. What else can the NSW Government do to ensure the continuous improvement of the ESS?

Respondent skipped this question

Q48

46. Do you have any other feedback about the Energy Security Target and Safeguard that has not been covered by the previous questions?

Respondent skipped this question

#5 -

Collector: Web Link 1 (Web Link)
Started: Wednesday, May 20, 2020 4:39:18 PM
Last Modified: Monday, June 22, 2020 5:03:01 PM
Time Spent: Over a month
IP Address: 202.161.116.149

Page 1: Have your say on the Energy Security Target and Safeguard

Q1

I understand that survey responses will be published.

Acknowledgement

Q2

Please provide your contact details (required for verification purposes, contact details will not be published)

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Page 2: Part 1: The NSW Energy Security Target

Q3

1. Is the approach to assessing firm capacities from generators, interconnectors and demand response used to meet the EST reasonable and appropriate?

No,
Is there an alternative approach?:
The combined impact of a range of energy efficiency programs should also be considered. Some of these impacts are implicit in AEMO's demand forecasts. However, DPIE's process for setting the EST should specify how energy efficiency is contributing to meet annual targets, including AEMO's assessment.

Q4

2. Is the approach to applying the capacity factors for wind and solar generators reasonable and appropriate?

Please explain your response.:
N/A

Q5

3. Are AEMO's maximum demand forecasts appropriate for use in determining the EST?

No,
Should alternatives be considered (e.g. TransGrid's forecasts)?:
Ensure the Target can account for: a) coincident peaks between NSW and Victoria as occurred during summer 2020 b) the impact of climate change which is making peak demand higher and for a more extended period.

Q6

4. How often should EST updates be published?

Annually

Q7

5. Are the entities required to provide information to the EST register that are listed on page 8 suitable and adequate?

Yes,
Please explain your response.:
Information-gathering obligations on businesses to provide information to the NSW Government are already onerous, so these requirements ideally should be minimised.

Q8

6. Is there other information that should be provided for the register beyond that listed on page 8?

Please refer to questions 1

Q9

7. Are the types of projects that may contribute to meeting the EST described on pages 9 and 10 suitable and adequate?

How could prospective projects, beyond those identified as committed, be considered within the EST forecast for firm capacity?:
Please refer to questions 1

Q10

8. Many market participants already have requirements to report to AEMO or other market bodies. Where do you consider there may be overlap with these existing requirements that the NSW Government could leverage to ensure industry does not need to report twice? Are there other ways the NSW Government could obtain this information?

N/A

Page 3: Part 2: Energy Security Safeguard

Q11

9. What would be a reasonable commencement date for the new energy saving and peak demand reduction targets? Please provide an explanation for your response.

We recommend that targets for the new ESS and PDRS start from 1 January 2021, or alternatively 1 July 2021 if the Government decides to move the annual compliance period to align with the financial year.

This would bring forward economic stimulus benefits: getting industry to start investing and creating jobs. There could be flexibility around liable parties meeting their obligations, for example, commencing six months later.

We understand that the NSW Government may need to provide 12 months' notice to change the existing ESS target and therefore seek an increase announcement as soon as possible.

Low-hanging fruit activity opportunities are considered under Question 13.

Trigger for target review – rule requires clarity

Note that the NSW ESS has in recent years had a significant oversupply of certificates. In the first six months of 2017 alone, on a pro-rata basis, the ESS target was exceeded by 40 per cent. At that time in 2017, the ESIA (then named EECCA) wrote to the then Minister (on 26/7/17) to request the process of target review commence as soon as possible as this option is in the Electricity Supply Act 1995. This did not occur. Notably, there are ambiguities found in the wording of the legislation which needs clarification to enable reasonable interpretation.

This passed up trigger opportunity to increase targets indicates that increases should already have happened. It also provides justification for bigger targets sooner for the ESS, given that there has consistently been an over-creation of certificates for the past five years.

Need for better data collection, transparency, and use

The ESS, and pending PDRS, will benefit greatly from more transparent availability of data and data collection methods by government. This will greatly assist in reaching bigger targets sooner.

The Victorian Government has been more transparent and more thorough in its ongoing collection and availability to the public of data in relation to VEU upgrades. This has helped industry to better target upgrades sites and to avoid marketing to sites that have already been upgraded. It has also enabled the Victorian Government and the VEU administrator, the Essential Services Commission (ESC) to undertake internal audits. In comparison, the NSW ESS collects little data and relies on its provision from external auditors and does not make this publicly available.

Q12

10. Could elements of either scheme, such as the early accreditation of certificates ahead of surrendering requirements, be brought forward? Please provide an explanation for your response.

Yes – see above.

The ESIA and Ecovantage believe that there is opportunity to fast-track some PDRS activity using existing ESS methodologies. The NSW Government could work to isolate a shortlist of demand response opportunities that exist within approve ESS methodologies to help establish markets and provide stimulus to both the ESS and PDRS that would result in certificate creation in the timeframe suggested in Q9.

Q13

11. What support does industry need to prepare for the introduction of the scheme? Please provide an explanation for your response.

Industry business models will be largely dependent upon calculation methods decided by the NSW Government. So the earlier these are made available, the more readily industry will be able to prepare and plan investment.

DPIE and/or the scheme administrator will need to continue to educate the market surrounding the opportunities to deliver the PDRS. Tools that have been used to establish and support the existing ESS should be used as a basis (forums, method guides etc).

Page 4: Part 2.1: Energy efficiency

Q14

12. What issues should the NSW Government consider when setting targets to 2030? At what rate should the targets be increased to reach 13% by 2030?

It is recommended that the ESS targets be increased progressively from 2021. The extensive oversupply of ESCs in recent years should have triggered a target review which is now being considered.

Given the currently oversupply, it would seem reasonable to lead with a step up of targets from 2020 to 2021, providing industry with greater certainty.

The commencement of the PDRS target from 2021 will bring forward some abatement activity that would not otherwise occur.

This complementary start date will provide additional incentive for the upgrade of, for example, HVAC systems that reduce both energy use and peak demand, with the creation of both ESCs and PERCs.

Q15

13. What are the most promising opportunities once commercial lighting reaches market maturity? What is the likely size and cost of these opportunities?

1. Energy Efficiency Opportunity List needs unpacking

Regarding the NSW Government's 'live' EEOL published as part of the consultation, the ESIA and Ecovantage recommend that more consultation time is provided to 'unpack' this list for stakeholders, including the assumptions, data and calculations used and their rationale. This 'live' list has the potential to be a primary driver to inform stakeholders of progress of the NSW ESS and PDRS and to provide insights for upgrade opportunities being considered by governments and industry across Australia.

2. VEU RIS activity opportunities identified

The ESIA supports the activities identified in the VEU Regulatory Impact Statement (RIS) 2019 acknowledged as 'Main activities projected for the 2021-2025 period … Some of the key cost-effective measures identified' and encourages the NSW Government to consider these:

- Replacing a non-ducted gas heater with a variable refrigerant flow (VRF) air to air heat pump or split system air to air heat pumps
- Replacing a heating hot water (HHW) gas boiler with either a ground to water heat pump, an air to water heat pump or a water to water heat pump
- Installing a 100kw+ rooftop solar photovoltaic (PV) system
- Replacing a low-efficiency gas boiler with a high efficiency gas boiler
- Installing smart thermostats for ducted gas space heaters
- Integrated and disaggregated whole of building energy management and information systems (EMS).
- Upgrading or introducing electricity meter interface and appliance/webs services
- Introducing smart diverters for electric hot water storage systems to utilise excess solar energy produced by behind the meter rooftop solar PV systems.
- Upgrading IT equipment linked cooling systems
- Upgrading refrigeration EMS

3. Other key recommendations from ESIA

Heat pumps replacing electric hot water systems

This activity ticks all the boxes as an ideal parallel transition activity:

i. Ease of administration and program introduction – a successful and proven working model exists in Victoria under the VEU program which is gathering momentum each month.
ii. Availability of quality product: Australian Standards approved; proven technology is ready for immediate roll out.
iii. Affordable upgrade at scale immediately: many heat pump types are also eligible for STC's under the RET scheme, so when combined with state-based incentives, upgrades are affordable for the great majority of households, supporting immediate uptake at scale.
iv. Methods already established and proven under the VEU and SA REES, which could be readily adopted. (The NSW Government has targeted stakeholder workshops in train, with significant progress in the area, with learnings from the NSW HEER method.)
v. Pool of opportunity significant: NSW government EEOL estimates indicate market penetration rates of 25% which is reasonable and conservative when considering residential and small commercial sites. This appears to align with the assumption that at least one in every three hot water systems in NSW are still operating using electric element heating (1.2 million units across 3 million dwellings (Census data 2016).
vi. Penetration estimates conservative: the 25% potential market penetration in the EEOL seems conservative, based upon the market insights and affordable product availability with the right incentives
vii. Significant energy savings: comparable to traditional lamp to LED abatement percentages, creating significant savings opportunities - an average family of four will potentially save $825 each year upgrading an electric element hot water system
viii. Low risk activity with licensed trades and good compliance: this upgrade type must be installed by a licensed tradesperson

(plumber or electrician). There have been minimal compliance concerns under other incentive programs.
ix. Strongly aligned with solar PV generation initiatives: modern appliances are equipped with timer functionality to operate during daylight hours only (within the self-generation curve), essentially operating on free, 100% renewable, off-grid electricity.
x. Low cost upgrade: Heat pumps are one of the lowest cost technologies to implement and one of most technologically and commercial readily available solutions, according to the Federal Government's Technology Investment

Q16

14. What would prevent the uptake of new opportunities? What support (including new standards and calculation methods) does industry need to transition to new opportunities?

Air conditioning barriers

For example, HVAC provides an excellent opportunity particularly when considering the potential demand reduction stacked opportunities. Such as replacing an inefficient split systems air conditioner. However, existing methodologies only allow baselines to be calculated from MEPS baselines. This restricts upgrade potential. What needs to be addressed is the issue of a reasonable approach to baselines, given that there is such of range of technologies to be considered for upgrades (eg gas furnace, resistant, ducted, hydronic). The NSW Government should consider developing a Commercial Lighting Formula kind of solution to target the most inefficient systems.

In comparison, hot water heat pump upgrades are easier to roll out now as the range of baselines to be established are fewer: including the common electric element baseline. The VEU has grasped this opportunity and heat pump upgrades have taken off in recent months.

New Administrator approach needed

The current greatest impediment to uptake of new opportunities is IPART's administrative approach.
Certificate oversupply

The existing oversupply of ESCs as this has contributed to downward pressure of certificate prices. This has hampered investment appetite and uptake in new technologies which require higher ESC prices to be marketable.

Q17

15. What additional data sources are available that could inform assessment of the size and cost of the energy efficiency opportunity in New South Wales? Refer to Appendix B for technical assumptions.

Respondent skipped this question

Q18

16. What feedback can you provide to improve the other modelling assumptions set out in Appendix B?

Respondent skipped this question

Q19

17. Is the current penalty rate set at an appropriate level to incentivise retailers to buy and surrender certificates?

Yes,
Please explain your response.:
The current proposed penalty regime seems reasonable, if: • improvements are made to methods; • new methods are introduced; and • the administrator works to support the continued development and improvement of the scheme (not against it).

Q20

18. Should small retailers be exempt?

Yes,
If so, up to what size?:
It seems reasonable to provide a modest level of exemption to small retailers. Given that the whole market for ESCs is very active, it should not be overly burdensome for smaller retailers to comply with their liabilities.

Q21

19. Which cleaner fuel switching activities should the scheme provide incentives for?

Respondent skipped this question

Q22

20. Should the scheme cover technologies that are being wound down under the Small-scale Renewable Energy Scheme?

Respondent skipped this question

Q23

21. How should energy savings be counted for these cleaner fuel switching activities?

Respondent skipped this question

Q24

22. What would be the likely scale of uptake of cleaner fuel switching activities? Please consider the number, size, and cost of projects.

Respondent skipped this question

Q25

23. Under what circumstances should the NSW Government consider extending scheme liability beyond the electricity sector?

Respondent skipped this question

Page 5: Part 2.2: Peak demand reduction

Q26

24. How can the scheme's certificates best capture capacity, timing, duration and availability factor?

Keep it simple. For example, demand reduction during a period between 6pm and 9pm on hot days in summer: base this on data-based evidence, considering changes over time – such as due to climate change - and ensure this data is publicly available.

Do not base it on wholesale electricity price levels as these can be set by a range of factors including generator gaming behaviour.

Focus on ensuring that investments are made that can reduce demand on the system when peaks are likely to occur.

Q27

25. Who is best placed to manage the financial risk that capacity is not made available when needed?

This only applies to load switching/management (not load reduction where there is no risk). PERCs should cover only the cost of the efficient infrastructure. Other market signals are in place to ensure that dispatch occurs when required. It needs to be essential that a contract with an DSRP is in place.

Note, there will be a conflict issue with market participants that also control peaking gas and hydro generators: they may not be incentivised to dispatch DSR compared to other resources.

Q28

Respondent skipped this question

26. Are there other activities the NSW Government should consider for inclusion in the peak demand reduction scheme?

Q29

Respondent skipped this question

27. What is the size and cost of the peak demand reduction opportunity available in New South Wales?

Q30

Respondent skipped this question

28. Are there alternative ways in which the peak demand scheme could complement national schemes?

Q31

Respondent skipped this question

29. What are the key issues, and potential mitigation measures, the NSW Government should consider on consumer protection?

Q32

Respondent skipped this question

30. Which calculation methods should be developed first?

Q33

Respondent skipped this question

31. Should location-based multipliers or activities that are specific to certain locations be considered?

Q34

32. What are your views on the proposed approach to scheme liability? Please align your response with the topics presented in the paper (pages 32 and 34).

Retailers should be the liable parties. To keep it simple, liability could be allocated to each retailer based on their liable electricity load, the same as for the ESS.

Q35

33. What would be the implications for the available dependable peak demand reduction capacity in New South Wales if the scheme allows carry forward?

Carry forward seems reasonable, similar to the ESS.

Q36

34. What qualifications should certificate providers be required to have?

Keep the same as the ESS

Q37

35. Should certificates expire every compliance year or should they be transferable to future compliance years?

Transferable to future compliance years

Page 6: Part 2.3: Scheme administration and regulation

Q38

36. What is working well for the administration and regulation of the ESS? What features would you want to see continuing, and potentially replicated for the peak demand reduction scheme?

Respondent skipped this question

Q39

37. Should the annual Rule review and three-year major Rule review process for the ESS and new peak scheme be changed or is it working effectively?

Respondent skipped this question

Q40

38. Would the ideas on page 38 help make the Safeguard more customer-centric?

Respondent skipped this question

Q41

39. What improvements could be made to the administration and regulation of the ESS that would encourage the creation of effective energy saving activities? Please provide an explanation for your response, including an indication of your key priorities.

Respondent skipped this question

Q42

40. Who should be responsible for developing the capability of service providers to deliver effective activities, the Scheme Administrator or the Department?

Respondent skipped this question

Q43

41. What is the best way to develop the capabilities of service providers?

Respondent skipped this question

Q44

42. What are your views on the options on pages 39 - 41 to enhance the compliance and enforcement framework of the ESS?

Respondent skipped this question

Q45

43. Are the current provisions for the NCAT review of decisions by the Scheme Regulator and Administrator sufficient?

Respondent skipped this question

Q46

44. What key performance indicators and service standards should be considered for the Scheme Regulator and Administrator?

Respondent skipped this question

Q47

45. What else can the NSW Government do to ensure the continuous improvement of the ESS?

Respondent skipped this question

Q48

46. Do you have any other feedback about the Energy Security Target and Safeguard that has not been covered by the previous questions?

Respondent skipped this question

#6 -

Collector:
Started:
Last Modified:
Time Spent:
IP Address:

Page 1: Have your say on the Energy Security Target and Safeguard

Q1

I understand that survey responses will be published.

Acknowledgement

Q2

Please provide your contact details (required for verification purposes, contact details will not be published)

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Phone Number	

Page 2: Part 1: The NSW Energy Security Target

Q3

1. Is the approach to assessing firm capacities from generators, interconnectors and demand response used to meet the EST reasonable and appropriate?

Yes,
Is there an alternative approach?:
Comment: In assessing firm capacity against the EST it would seem reasonable to devise a firmness-test of peak demand reduction activities under the PDRS to ensure the success of the Safeguard is taken into account in that assessment.

Q4

2. Is the approach to applying the capacity factors for wind and solar generators reasonable and appropriate?

Yes,
Please explain your response.:
From a reliability perspective, the approach seems reasonable insofar that wind and solar are included at all.

Q5

3. Are AEMO’s maximum demand forecasts appropriate for use in determining the EST?

Yes

Q6

Respondent skipped this question

4. How often should EST updates be published?

Q7

Respondent skipped this question

5. Are the entities required to provide information to the EST register that are listed on page 8 suitable and adequate?

Q8

Respondent skipped this question

6. Is there other information that should be provided for the register beyond that listed on page 8?

Q9

Respondent skipped this question

7. Are the types of projects that may contribute to meeting the EST described on pages 9 and 10 suitable and adequate?

Q10

Respondent skipped this question

8. Many market participants already have requirements to report to AEMO or other market bodies. Where do you consider there may be overlap with these existing requirements that the NSW Government could leverage to ensure industry does not need to report twice? Are there other ways the NSW Government could obtain this information?

Page 3: Part 2: Energy Security Safeguard

Q11

9. What would be a reasonable commencement date for the new energy saving and peak demand reduction targets? Please provide an explanation for your response.

The sooner the better but 1 January 2021 is probably ambitious enough. NSW is projected to experience its tightest reserve conditions in 2023-24 after the Liddell Power Station closes in April 2023. This means that a breach of the reliability standard could occur in a NEM region, which obviously includes NSW. This could mean a potential reliability gap 3 years out. The PDRS could possibly help mitigate the risk of needing to issue a T-1 reliability instrument.

Q12

10. Could elements of either scheme, such as the early accreditation of certificates ahead of surrendering requirements, be brought forward? Please provide an explanation for your response.

Yes, but a method to calculate a 'Peak Demand Reduction' does not exist within the current Rules so would need to be devised ahead of time as well. The PIAM&V method in its current form lends itself perfectly well to the assessment of peak demand reduction within the measurement boundary, but an approved method to calculate the demand reduction itself obviously does not exist within the Rule. PIAM&V could certainly provide a shortcut to a usable method for PDR creation where energy savings and peak demand reduction savings may be calculated in tandem. There are roadblocks in the current administration of the PIAM&V method which will hinder it in its execution however.

Moreover there are equipment types and control technologies which are well-suited for relatively easy PDR calculations such as Power Factor Correction (for which a Default Method for Energy Savings exists), DRED enabled A/C, variable control pool sanitation and heating, batteries, demand limiting etc. A selection of technologies could be accelerated into existence. May need Default Savings Factors approach for quicker roll-out as well as deeming. This is to avoid low uptake due to complexity and low returns. A default savings factor will not get it right in each single implementation but will become more reflective over time as long as the factor is grounded in reality. After, say 2 years of implementations, the effect on the NEM could be assessed and considered in demand forecasts.

Q13

11. What support does industry need to prepare for the introduction of the scheme? Please provide an explanation for your response.

Dialogue, common sense, and pragmatism. Energy Conservation has attempted to deliver a sampling method project involving smart pool heating and sanitation controls in residential sites in NSW. The project got binned in an attempt to ensure that not a single ESC could be misrepresented. Not enough dialogue, not practical, not viable.

Industry must be involved in the development of the methods, whether Default Factor or M&V or otherwise. Methods must be intuitive and viable in their real-world implementations, or the market will respond with no uptake.

To deal effectively with real-world scenarios, methods must ideally be sufficiently malleable to deal with those scenarios and leave room for dialogue with administrator so that - perhaps on a case by case basis - industry may make a submission on the way in which it intends to calculate a reduction or deviate from an existing method, and based on its satisfaction, a representative panel decides if the proposed method (or deviation from an existing method) is indeed acceptable. This instead of just binning the whole idea.

Many of the PDRS examples provided in the NSW Electricity Strategy and Safeguard Consultation Paper are quite specifically residential as capacity shortfalls are more likely to occur just after close of business. Nevertheless, Peak Demand Reduction must also be offered widely to the commercial and industrial sectors and methods must be made available to do so.

Page 4: Part 2.1: Energy efficiency

Q14

12. What issues should the NSW Government consider when setting targets to 2030? At what rate should the targets be increased to reach 13% by 2030?

The current oversupply of certificates must be considered which is, among other things, a sign that there is demand for energy savings supporting a much more ambitious target.

Q15

13. What are the most promising opportunities once commercial lighting reaches market maturity? What is the likely size and cost of these opportunities?

Respondent skipped this question

Q16

14. What would prevent the uptake of new opportunities? What support (including new standards and calculation methods) does industry need to transition to new opportunities?

Cost of compliance and compliance risk form two of the greatest barriers.

Q17

15. What additional data sources are available that could inform assessment of the size and cost of the energy efficiency opportunity in New South Wales? Refer to Appendix B for technical assumptions.

Respondent skipped this question

Q18

16. What feedback can you provide to improve the other modelling assumptions set out in Appendix B?

Respondent skipped this question

Q19

17. Is the current penalty rate set at an appropriate level to incentivise retailers to buy and surrender certificates?

Yes,

Please explain your response.:

It seems to incentivise retailers to buy and surrender certificates so in that sense, yes.

Q20

18. Should small retailers be exempt?

Respondent skipped this question

Q21

19. Which cleaner fuel switching activities should the scheme provide incentives for?

Respondent skipped this question

Q22

20. Should the scheme cover technologies that are being wound down under the Small-scale Renewable Energy Scheme?

Yes,

If so, what is the best way to do this?:

Yes, without double dipping.

Q23

21. How should energy savings be counted for these cleaner fuel switching activities?

Respondent skipped this question

Q24

Respondent skipped this question

22. What would be the likely scale of uptake of cleaner fuel switching activities? Please consider the number, size, and cost of projects.

Q25

Respondent skipped this question

23. Under what circumstances should the NSW Government consider extending scheme liability beyond the electricity sector?

Page 5: Part 2.2: Peak demand reduction

Q26

24. How can the scheme's certificates best capture capacity, timing, duration and availability factor?

Measurement and Verification principles.

Q27

Respondent skipped this question

25. Who is best placed to manage the financial risk that capacity is not made available when needed?

Q28

Respondent skipped this question

26. Are there other activities the NSW Government should consider for inclusion in the peak demand reduction scheme?

Q29

Respondent skipped this question

27. What is the size and cost of the peak demand reduction opportunity available in New South Wales?

Q30

Respondent skipped this question

28. Are there alternative ways in which the peak demand scheme could complement national schemes?

Q31

Respondent skipped this question

29. What are the key issues, and potential mitigation measures, the NSW Government should consider on consumer protection?

Q32

30. Which calculation methods should be developed first?

1. The PIAM&V method would seem the best candidate for a quick integration but may fall short on execution in the current compliance landscape. Large demand savings can be verified accurately.

2. A Default Savings Factor for prescribed equipment could work well in terms of its ease of use, though often not reflective of actual savings.

3. A deemed method would probably get the widest utilisation but may also take the longest to develop.

Q33

31. Should location-based multipliers or activities that are specific to certain locations be considered?

Yes that should be considered. It makes sense for locations where, for example, congestion is an issue and/or where the AEMO forecasts reliability gaps.

Q34

Respondent skipped this question

32. What are your views on the proposed approach to scheme liability? Please align your response with the topics presented in the paper (pages 32 and 34).

Q35

33. What would be the implications for the available dependable peak demand reduction capacity in New South Wales if the scheme allows carry forward?

It is not obvious that it will adversely impact dependable PDR capacity. Deeming is allowed where reasonably, a peak demand reduction has been achieved which will also be achieved in future years. Also, overcreation of ESCs in the current environment is not obviously disincentivising creation of more ESCs in the current year. Arguably it also incentivises projects which not only achieve savings this year but also in future years. Those future year savings should also be dependable at least to some extent if they were transferable.

Q36

34. What qualifications should certificate providers be required to have?

What qualifications are certificate providers required to have now?

A combination of experience and professional qualifications is always desirable but the certificate provider may employ people with the necessary experience and qualification.

Q37

35. Should certificates expire every compliance year or should they be transferable to future compliance years?

Transferable to future compliance years,
What implications would your preferred approach have for ensuring dependable peak demand reduction capacity in New South Wales?:
It is not obvious that it will adversely impact dependable PDR capacity. Deeming is allowed where reasonably, a peak demand reduction has been achieved which will also be achieved in future years. Also, overcreation of ESCs in the current environment is not obviously disincentivising creation of more ESCs in the current year. Arguably it also incentivises projects which not only achieve savings this year but also in future years. Those future year savings should also be dependable at least to some extent if they were transferable.

Page 6: Part 2.3: Scheme administration and regulation

Q38

36. What is working well for the administration and regulation of the ESS? What features would you want to see continuing, and potentially replicated for the peak demand reduction scheme?

Respondent skipped this question

Q39

37. Should the annual Rule review and three-year major Rule review process for the ESS and new peak scheme be changed or is it working effectively?

Respondent skipped this question

Q40

38. Would the ideas on page 38 help make the Safeguard more customer-centric?

Respondent skipped this question

Q41

39. What improvements could be made to the administration and regulation of the ESS that would encourage the creation of effective energy saving activities? Please provide an explanation for your response, including an indication of your key priorities.

Dialogue. Willingness for dialogue to find ways to successfully verify and calculate energy or peak demand savings in challenging project scenarios. As long as the dialogue is there with a willingness to listen and think WITH the ACPs about how a project can be brought to a successful completion.

Q42

40. Who should be responsible for developing the capability of service providers to deliver effective activities, the Scheme Administrator or the Department?

The Department (DPIE),
Please explain your response.:
IPART has never seen it its role to develop the capability of service providers in the Scheme. In fact, has been clear about that not being its role. The way IPART is set up and governed it would be an unlikely candidate to teach and build capacity among service providers.

Q43

41. What is the best way to develop the capabilities of service providers?

Workshops
Minimum certification standards
Locally developed training

Q44

Respondent skipped this question

42. What are your views on the options on pages 39 - 41 to enhance the compliance and enforcement framework of the ESS?

Q45

No

43. Are the current provisions for the NCAT review of decisions by the Scheme Regulator and Administrator sufficient?

Q46

Respondent skipped this question

44. What key performance indicators and service standards should be considered for the Scheme Regulator and Administrator?

Q47

Respondent skipped this question

45. What else can the NSW Government do to ensure the continuous improvement of the ESS?

Q48

Respondent skipped this question

46. Do you have any other feedback about the Energy Security Target and Safeguard that has not been covered by the previous questions?