



REES

# Retailer Energy Efficiency Scheme

Annual Report 2016

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TERM	DESCRIPTION
AV	Audio Visual
CFL	Compact Fluorescent Lamps
Commission	Essential Services Commission, established under the ESC Act
EAT	Energy Audit Target
EET	Energy Efficiency Target
Electricity Regulations	Electricity (General) Regulations 2012
ESC Act	Essential Services Commission Act 2002
Gas Regulations	Gas Regulations 2012
GJ	Gigajoules
Government	South Australian Government
IT	Information Technology
LED	Light Emitting Diode
Minister	South Australian Minister for Mineral Resources and Energy
Ministerial Protocol	A REES Protocol set by the Minister for maintaining the list of approved Energy Efficiency Activities and Reporting Requirements. Available at <a href="http://www.sa.gov.au/_data/assets/pdf_file/0006/135915/REES-Ministerial-Protocol.pdf">http://www.sa.gov.au/_data/assets/pdf_file/0006/135915/REES-Ministerial-Protocol.pdf</a> .
MWh	Megawatt Hours
PGEET	Priority Group Energy Efficiency Target
Primary obliged retailer	Retailers that meet the primary threshold and are set an Energy Efficiency Target, Priority Group Energy Efficiency Target and Energy Audit Target.
Priority Group Household	Households: <ul style="list-style-type: none"> <li>▶ with eligibility for various Commonwealth and State Government Concessions, as defined in the Electricity and Gas Regulations;</li> <li>▶ falls within a class of persons who are experiencing hardship determined or approved by the Minister or the Commission for the purposes of the Regulations.</li> </ul>
REES	Retailer Energy Efficiency Scheme
REES Code	Retailer Energy Efficiency Scheme Code
REES-R	Retailer File Validation System
REES Stage One	2009 to 2011

REES Stage Two	2012 to 2014
REES Stage Three	2015 to 2017
Regulations	Electricity (General) Regulations 2012 and Gas Regulations 2012
SAFCA	South Australian Financial Counsellors Association
Secondary obliged retailer	Retailers that do not meet the primary threshold but meet the secondary threshold (electricity and/or gas). Secondary obliged retailers are set a REES Energy Efficiency Target.
SPC	Standby Power Controller

# 1 Executive Summary

Energy retailers that exceed prescribed customer number and sales thresholds are set annual Retailer Energy Efficiency Scheme (**REES**) targets for the delivery of energy efficiency activities to households and/or businesses. In addition, retailers with larger residential customer bases are set targets to deliver a prescribed amount of the energy efficiency activities to priority group households and to provide energy audits to priority group households.<sup>1</sup>

REES initially commenced on 1 January 2009 as the Residential Energy Efficiency Scheme and is set to operate until 31 December 2020.

The Essential Services Commission (**Commission**) administers REES within the parameters defined by the South Australian Government's (**Government**) policy framework and in accordance with Parts 4 of the Electricity (General) Regulations 2012 and the Gas Regulations 2012 and the provisions of the Essential Services Commission Act 2002.

This eighth REES Annual Report evaluates scheme outcomes for the 2016 REES year.

## 1.1 REES 2016 Outcomes

The key operational outcomes for REES in 2016 were:

- ▶ The overall annual REES targets were achieved (Table 1.1) and all obliged retailers met their individual targets (Table 1.2).
- ▶ A total of 5,797 energy audits were undertaken and obliged retailers applied an additional 5,215 energy audit credits (earned in prior years) to exceed the target by 94 percent.
- ▶ 1,851,990 gigajoules (**GJ**) of energy savings were delivered,<sup>2</sup> which was 66 percent higher than that delivered in 2015. When prior year credits are included, the Energy Efficiency Target was exceeded by 40 percent. Many obliged retailers have significant credit balances to carry over towards 2017 targets.
- ▶ The proportion of activities conducted in regional and remote areas increased to 9.6 percent in 2016, compared to 4.5 percent in 2015.
- ▶ Of the total energy savings delivered, nine percent were delivered to priority group households. When prior year credits are included, the 2016 Priority Group Energy Efficiency Target was exceeded by 93 percent.
- ▶ Seventy two percent of energy savings were from commercial activities; 69 percent from commercial lighting and three percent from commercial showerheads. In 2016, 3,315 businesses benefitted from REES activities.
- ▶ Over 182,000 installed energy efficient lights were reported in commercial premises. A further 180,000 installed energy efficient lights were reported in residential premises.
- ▶ Energy savings from residential activities fell by 26 percent, but still account for 92 percent of activities undertaken.
- ▶ There was a 24 percent decrease in the number of premises receiving a REES activity or energy audit compared to 2015. This reflects that 19 percent fewer activities and audits were undertaken in 2016 compared to 2015.

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<sup>1</sup> Priority group households include those where a person resides who holds a recognised concession card, participates in an energy retailer's customer hardship program or has a referral from a registered member of SAFCA.

<sup>2</sup> Energy efficiency activities are deemed and receive the full lifetime saving in the year the activity is undertaken.


























Table 1.1: 2016 REES targets and achievements


	2016 Target	Accepted reports	Credits applied <sup>(2)</sup>	Total 2016 achievement
Energy audits (number of audits)	5,667	5,797	5,215	11,012
Energy efficiency (GJ)	1,700,000	1,851,990	529,114	2,381,104
Priority group energy efficiency (GJ)	326,923 <sup>(1)</sup>	166,093	464,777	630,870

Notes: (1) Subset of Energy Efficiency Target.

(2) Applied credits are energy efficiency activities or energy audits accrued in excess of an obliged retailer's previous years REES target which were applied to a 2016 target.

Table 1.2: 2016 Obligated retailer target achievement

Obligated retailer	Energy Audit Target	Energy Efficiency Target	Priority Group Energy Efficiency Target
AGL			
Alinta Energy			
Energy Australia			
ERM Power	N/A		N/A
Lumo Energy			
Momentum Energy			
Origin Energy			
Powerdirect			
Simply Energy			

Note:  = target achieved.



## 1.2 Administration of the Scheme

In undertaking its compliance role, the Commission is guided by its legislative objectives, in particular the need to protect the long-term interests of South Australian consumers. As a result, the Commission takes a strong up-front focus on compliance monitoring to ensure that the retailers operate within the parameters of the Scheme.

During the first quarter of 2016, the Commission engaged with all obliged retailers regarding the requirement to submit annual compliance plans. It reviewed all plans to ensure that retailers had put in place appropriate mitigation and management strategies to meet their REES obligations.

The Commission utilises a specific database, which has inbuilt compliance testing functions, to provide real time information. The Commission also undertook focused desktop data auditing to ensure that data provided by retailers was accurate and compliant.

The Commission rejects data if it is found to be non-compliant with the REES Code or applicable activity specification. In 2016, data rejections by the Commission were made to correct administrative errors, such as reporting under a wrong activity code or data entry errors, and relating to non-compliant installations or paperwork.

Retailers and scheme participants worked cooperatively with the Commission throughout 2016 by engaging early and responding in a prompt manner to matters as they arose.

## 2 Introduction

The Retailer Energy Efficiency Scheme (**REES**) requires energy retailers that exceed prescribed thresholds be set annual targets for the delivery of energy efficiency activities to households and/or businesses. In addition, retailers with larger residential customer bases<sup>3</sup> are set targets to deliver a prescribed amount of the energy efficiency activities to priority group households; and to provide energy audits to priority group households.<sup>4</sup>

Under REES, the South Australian Minister for Mineral Resources and Energy (**Minister**) sets the overall policy framework and fixes annual Energy Efficiency and Energy Audit Targets. The Essential Services Commission (**Commission**) administers the scheme within the parameters defined by the South Australian Government's (**Government**) policy framework and in accordance with Parts 4 of the Electricity (General) Regulations 2012 and the Gas Regulations 2012 (**Regulations**) and the provisions of the Essential Services Commission Act 2002 (**ESC Act**).

The Minister sets overall REES targets for each calendar year. The Commission then apportions those targets among obliged retailers in accordance with objective criteria specified in the Regulations.

The scheme initially commenced on 1 January 2009 as the Residential Energy Efficiency Scheme, with the first stage running until 31 December 2011. The second stage commenced on 1 January 2012 and concluded on 31 December 2014. From 1 January 2015, the Residential Energy Efficiency Scheme was amended to become the Retailer Energy Efficiency Scheme, and was expanded to allow commercial activities to be undertaken.

The Government's stated objective for REES is to reduce household and business energy use, with a focus on low-income households (implemented through priority group targets).

### 2.1 Role of the Commission

The Commission has functions and powers necessary to give effect to REES including:

- ▶ Administering REES
  - Allocation of individual annual retailer targets.
  - Establishing requirements in relation to the conduct and operation of energy retailers through a Retailer Energy Efficiency Scheme Code (REES Code).
  - Encouraging effective participation in the scheme.
- ▶ Monitoring energy retailer compliance with REES
  - Receiving and assessing reports of activities and audits undertaken.
  - Establishing and implementing a targeted compliance program.
  - Determining annual target achievement.
- ▶ Reporting to the Minister annually in relation to the operation of REES, and from time to time in relation to any other matter with respect to REES.

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<sup>3</sup> Refer to section 3 of this report for REES obligation thresholds.

<sup>4</sup> Priority group households include those where a person resides who holds a recognised concession card, participates in an energy retailer's customer hardship program or has a referral from a registered member of South Australian Financial Counsellors Association (**SAFCA**).

The rules to be followed by retailers in meeting their obligations under REES are set out in the REES Code.<sup>5</sup> The main administrative activities undertaken by the Commission in 2016 are described in section 6 of this report.

## 2.2 Purpose of this report

The Commission has prepared this 2016 REES Annual Report in accordance with its reporting obligations under the Regulations in order to advise the Minister on the REES outcomes, to facilitate ongoing evaluation of REES and inform future target setting.<sup>6</sup>

Information and supporting commentary to satisfy the requirements of the REES Ministerial Protocol<sup>7</sup> (**Ministerial Protocol**) and the Regulations is provided in this report and is based on data provided by energy retailers which the Commission understands to be accurate at the time of publication.

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<sup>5</sup> Essential Services Commission, Retailer Energy Efficiency Scheme Code, REESC/08 January 2015 (as in force in 2016); available at <http://www.escosa.sa.gov.au/library/20141218%20-%20REES%20-%20REESCode08.pdf>.

<sup>6</sup> This obligation is in the form of a Ministerial Protocol which can be found on the Commission's website at: [http://www.sa.gov.au/\\_data/assets/pdf\\_file/0006/135915/REES-Ministerial-Protocol.pdf](http://www.sa.gov.au/_data/assets/pdf_file/0006/135915/REES-Ministerial-Protocol.pdf)

<sup>7</sup> The REES Ministerial Protocol requires annual reporting of activities, energy audits and benefiting households by number, location, and household tenure.

### 3 Structure of the Scheme

The Minister has set the methodology by which the Commission determines which retailers have REES obligations in any year. A retailer will be obliged under REES if, in the preceding financial year, it exceeds one of the following thresholds:

- ▶ Primary threshold - retailed electricity to 5,000 or more South Australian residential customers, or retailed gas to 5,000 or more South Australian residential customers.
- ▶ Secondary threshold - its total electricity purchases less designated electricity purchases were greater than 27,000 megawatt hours (MWh), or its total gas purchases less designated gas purchases were greater than 100,000 Gigajoules (GJ).<sup>8</sup>

Retailers that meet the primary threshold are referred to as primary obliged retailers and are set an Energy Efficiency Target, a Priority Group Energy Efficiency Target and an Energy Audit Target.

Retailers that do not meet the primary threshold but meet the secondary threshold (electricity and/or gas) are referred to as secondary obliged retailers and are only set an Energy Efficiency Target.

The value of each energy efficiency activity is 'deemed', in terms of energy savings, in the sense that the full value of future estimated energy saving is credited at the time the activity is undertaken.

Accordingly, the scheme's annual energy savings outcome does not mean that energy savings at that level were actually achieved within that year.

Retailers can elect to provide the energy efficiency activities and/or energy audits themselves or to engage the services of third-party providers to provide the activities on their behalf. Retailers have generally chosen to engage third-party providers. However, while the provision of energy efficiency activities and energy audits may be outsourced, REES obligations continue to rest with retailers, not with their contractors.

It is for retailers to determine how and when energy efficiency activities and energy audits are offered to customers, in order to achieve REES targets. Retailers can also determine whether activities are provided free of charge to the recipient, whether recipients are asked to make a co-payment or if another incentive is offered to take up the activity. Overall, retailers have significant discretion as to how they achieve targets. Generally, minimal activity is reported in quarter one of the REES year as contracting arrangements are being finalised by retailers.

#### Observations

- ▶ There were nine obliged retailers in 2016 – eight primary and one secondary obliged retailer.
- ▶ Nine of the 28 approved energy efficiency activities were delivered to homes and businesses in 2016.
- ▶ There was sufficient energy credit accrued at the end of 2016 to meet the 2017 targets as follows:
  - thirty five percent of the annual Energy Efficiency Target
  - one hundred percent of the Priority Group Energy Efficiency Target<sup>9</sup>, and
  - ninety six percent of the Energy Audit Target.
- ▶ The large number of priority and energy audit credits banked at the end of 2016, may lead to a reduction in the delivery of residential activities in 2017.

<sup>8</sup> Designated electricity (or gas) purchases are defined by the Regulations as 'purchases of 1,000 MWh or more of electricity (or 3,600 GJ of gas) for on-selling and subsequent use in South Australia through an individual contract for sale'.

<sup>9</sup> There is sufficient credit to exceed the Priority Group Energy Efficiency Target by 13 percent.

### 3.1 Obligated retailers for 2016

Table 3.1 shows the nine obligated retailers for 2016. Retailers have separate electricity and gas REES obligations. Momentum Energy exceeded the obligation threshold to become a primary obligated retailer in 2016. Momentum Energy first held a REES obligation in 2015 as a secondary obligated retailer.

Table 3.1: REES 2016 obligated retailer energy obligations

Energy Retailer	Type of REES obligation <sup>(1)</sup>	Electricity	Gas
AGL SA	Primary	✓	✓
Alinta Energy	Primary	✓	✓
EnergyAustralia	Primary	✓	✓
ERM Power	Secondary	✓	-
Lumo Energy	Primary	✓	-
Momentum Energy	Primary	✓	✓
Origin Energy	Primary	✓	✓
Powerdirect <sup>10</sup>	Primary	✓	-
Simply Energy	Primary	✓	✓

Notes (1) Primary obligated retailers are set an Energy Efficiency Target, Priority Group Energy Efficiency Target and Energy Audit Target. Secondary obligated retailers are set an Energy Efficiency Target only.

### 3.2 Priority group households

Consistent with the Government's stated policy objective of assisting low-income consumers, REES requires that all energy audits and a specified amount of energy savings from energy efficiency activities (in any year) must be provided to priority group households.

For 2016, the Minister set the Priority Group Energy Efficiency Target at 326,923 (just over 19 percent of the overall Energy Efficiency Target).

The Regulations define priority group households; the category generally covers those households in which a person with a recognised concession card resides. The Minister and the Commission have the power to determine additional categories of priority group customers. The Commission determined those participating in an energy retailer's customer hardship program as an additional class of priority group customer in 2009.

In July 2016, the Minister expanded the priority group to include residential customers who receive a referral from a registered member of the South Australian Financial Counsellors Association (SAFCA).<sup>11</sup>

<sup>10</sup> Powerdirect is a wholly owned subsidiary of AGL.

<sup>11</sup> Refer: <http://www.safca.org.au/>

### 3.3 Energy audits

The Minister establishes the minimum specification for the conduct of energy audits.<sup>12</sup> Only those audits which meet the specification in full can be counted towards an Energy Audit Target.

Energy audits may only be provided to priority group households. They are aimed at assessing current energy use practices, comparing these to energy efficient practices and identifying practical ways to enhance energy efficiency.

Obligated retailers are generally required to conduct energy audits inside the home of the householder. However, in limited circumstances, such as remote premises, interview and phone audits are permitted. Each phone audit is worth half an in-home audit in terms of the value of the activity.

### 3.4 Energy efficiency activities

Energy efficiency activities may be provided to any South Australian household and some energy efficiency activities are also available to be undertaken in commercial premises. Generally, an individual energy efficiency activity may only be delivered once per premises unless otherwise permitted in the activity's minimum specification. As is the case with energy audits, an energy efficiency activity may only count towards the satisfaction of an Energy Efficiency Target, to the extent that the particular activity meets the minimum specification for that energy efficiency activity.

It is for retailers to determine how and when energy efficiency activities and energy audits are offered to customers, in order to achieve REES targets. The cost of uptake of an activity is the largest barrier to the delivery of some approved activities. Generally, retailers choose to undertake activities that achieve a high energy saving per activity/unit in relation to the cost (to the retailer and contractors) to deliver the activity. Of the 28 approved activities, only nine were utilised during 2016.<sup>13</sup>

The Minister has the function of maintaining, reviewing and amending the list of eligible energy efficiency activities (including energy savings values and minimum specifications<sup>14</sup>) for the purposes of REES. The list of REES activities that applied for 2016 is detailed in Table 3.2 and has not varied since the beginning of 2015.

Table 3.2: List of approved REES activities in 2016

Activity description	Residential	Commercial	Undertaken in 2016
Ceiling insulation - install ceiling insulation where no insulation has previously been in place	✓		
Top up ceiling insulation - install ceiling insulation to an under-insulated ceiling space	✓		
External wall and floor insulation – install insulation in an uninsulated external wall an uninsulated suspended ground floor (two activities)	✓		
Building sealing - install products designed to restrict airflow through doors, windows, chimneys/open fireplaces, exhaust fans or wall vents	✓		✓

<sup>12</sup> South Australian Government Gazette, 18 December 2014, available at [http://www.governmentgazette.sa.gov.au/sites/default/files/documentstore/2014/December/2014\\_090.pdf](http://www.governmentgazette.sa.gov.au/sites/default/files/documentstore/2014/December/2014_090.pdf) applied for REES Stage Three requirements.

<sup>13</sup> Refer REES time series data for a detailed breakdown.

<sup>14</sup> Detailed specifications and deemed energy savings factors (expressed in units of GJ) for each activity can be found on the Commission's website at: <http://www.escosa.sa.gov.au/residential-energy-efficiency-scheme-rees/rees-energy-efficiency-activities.aspx>.

Activity description	Residential	Commercial	Undertaken in 2016
Window replacement or glazing retrofit – replace external single glazed windows with thermally efficient windows or retrofit secondary glazing to a pre-existing external single glazed windows (two activities)	✓		
Install new flued gas space heater (non-ducted) – install an efficient new (non-ducted) flued gas space heater	✓		
Install new reverse cycle air conditioner (non-ducted), install an efficient new (non-ducted) reverse cycle air conditioner (two activities)	✓		
Upgrade ductwork - install insulated ductwork of higher than standard to a ducted reverse cycle air conditioner or gas central heater	✓		✓
Installation of enhanced air conditioning ductwork system – replacement of an existing flexible ductwork system for a reverse cycle air conditioner with a new flexible ductwork system (including all fittings)	✓		
Water heaters - install or replace a water heater with a water heater of specified type	✓		✓
Showerheads - replace an inefficient showerhead with an efficient showerhead	✓	✓	✓
Install compact fluorescent lamp (CFL) or light emitting diode (LED) general purpose lamp - replace an incandescent or halogen lamp with a CFL or LED	✓		✓
Install LED down light or LED down light luminaire – replace an existing downlight lamp or luminaire with an LED downlight or luminaire with optional ceiling insulation reinstatement	✓		✓
Replace halogen floodlight luminaire – replace halogen floodlight luminaire with an LED luminaire	✓		
Replace linear fluorescent luminaire – replace T8 or T12 fluorescent luminaire with T5 fluorescent or LED luminaire	✓		
Install standby power controllers – Audio Visual (AV) or Information Technology (IT) – install a standby power controller to automatically reduce standby power consumption of AV and IT equipment (two activities)	✓		✓
Purchase high efficiency appliances - purchase an efficient new fridge, fridge-freezer, separate freezer, clothes dryer, or television (four activities)	✓	✓	
Remove and dispose of unwanted fridge or freezer – remove and dispose of an existing fridge or freezer	✓	✓	
High efficiency pool pumps – install upgraded high energy efficient pool pump	✓		
Aggregated metered baseline – allows for delivery of energy efficiency measures to a treatment group and uses statistical methods to calculate energy savings	✓	✓	
Commercial lighting upgrade – upgrade lighting in a commercial premises to efficient lighting		✓	✓

### 3.5 Energy credits

Retailers have the ability to bank any excess achievement in relation to individual targets for a year and apply that credit to REES targets in subsequent years.

Energy credit means the following (if the relevant differences are positive):

- ▶ In relation to energy audits, the difference (expressed as a number of energy audits) between the number of energy audits reported by a retailer in a year and the Energy Audit Target that applies to the retailer for that year.
- ▶ In relation to energy efficiency activities, the difference (expressed in GJ) between the actual GJ reported by a retailer in a year through the conduct of energy efficiency activities and the Energy Efficiency Target that applies to the retailer for that year.
- ▶ In relation to energy efficiency activities for priority group households, the difference (expressed in GJ) between the actual GJ reported by a retailer in a year through the conduct of energy efficiency activities for priority group households and a Priority Group Energy Efficiency Target that applies to the retailer for that year.

Energy credits are accrued on an annual basis following the Commission's annual determination of individual retailer's target achievement.



## 4 REES Targets and Achievements

### Observations

- ▶ The overall targets set by the Minister were achieved in 2016.
- ▶ There was a 66 percent increase in the energy savings delivered in 2016 compared to 2015.
- ▶ Retailers delivered 166,093 GJ of priority group energy savings in 2016 to meet 51 percent of the Priority Group Energy Efficiency Target and applied a further 464,777 GJ of accrued energy credits to exceed the target by 93 percent.
- ▶ Although there was a decrease in the number of energy audits delivered in 2016, energy retailers applied a large number of energy audit credits to exceed the 2016 Energy Audit Target by 94 percent.

This section sets out achievements against the targets for energy audits, overall energy efficiency and priority group energy efficiency.<sup>15</sup> Further details on the targets and achievements can be found in the REES time series data, available on the Commission's website. To allow for comparison, 2009-2014 REES achievement figures have been converted from tonnes of carbon dioxide equivalent to GJ.<sup>16</sup>

### 4.1 Targets and achievements

The overall targets set by the Minister were achieved in 2016. Refer to Appendix A for a summary of individual retailer achievement. Achievement against the REES targets for energy audits, energy savings and priority group energy savings is set out in Figures 4.1 - 4.3.

#### 4.1.1 Energy savings from energy efficiency activities

Figure 4.1 illustrates the energy savings achieved and the target for each year of REES.

Actual reported energy savings were slightly higher than the 2016 target, and were 66 percent higher than in 2015, due to an increase in the number of activities with a higher deemed value per activity/unit undertaken. Retailers also accrued significant credits in prior years that were applied to meet 2016 targets.<sup>17</sup> When applied credits are included, the 2016 target was exceeded by 40 percent. All retailers met their 2016 Energy Efficiency Targets.

In addition to applied credits, some retailers have significant balances of unapplied credits at the end of 2016. The total credit balance (both applied and unapplied) at the end of 2016 is 806,264 GJ. This is approximately 35 percent of the 2017 Energy Efficiency Target.<sup>18</sup>

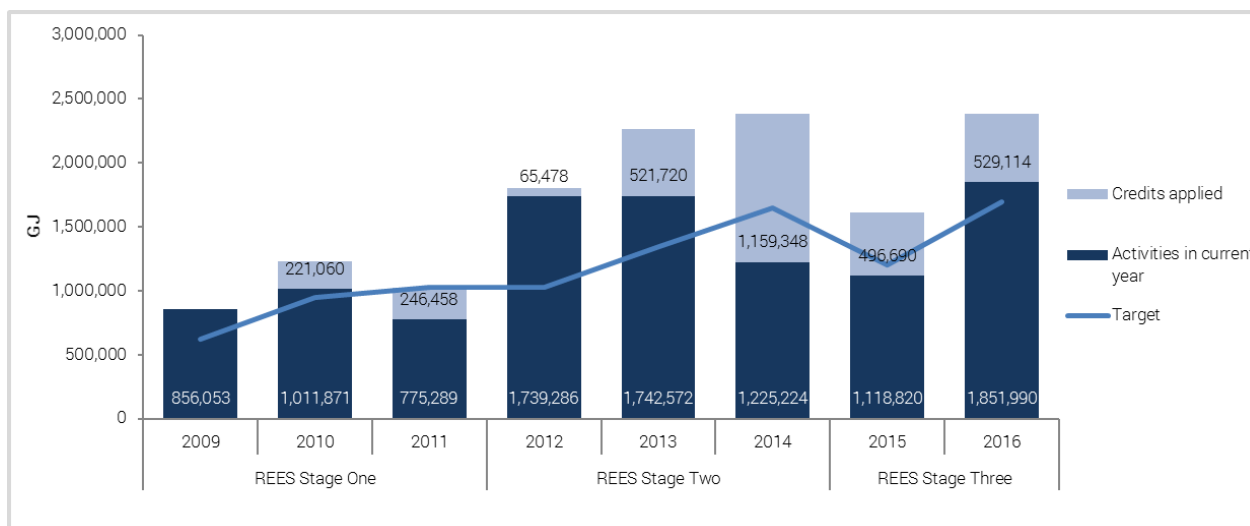
<sup>15</sup> For annual reports relating to previous years refer: <http://www.escosa.sa.gov.au/residential-energy-efficiency-scheme-rees/rees-annual-reports.aspx>.

<sup>16</sup> The conversion rate is 4.02 normalised GJ/tCO<sub>2</sub>-e. Refer REES Code Final Decision – December 2014 for further details on the conversion rate: <http://www.escosa.sa.gov.au/library/20141218%20-%20REES%20-%20REES%20Code%20Review%20Final%20Decision.pdf>.

<sup>17</sup> Banked credits from any year are undifferentiated in terms of whether they apply to an electricity or gas target. It is not the Commission's role to assume how a retailer may wish to apply any 'credits' earned in a given year to future years of the scheme. Nevertheless, the Commission encourages retailers to apply all credits in the following year of achievement as this shows an accurate estimate of their progress towards the next target.

<sup>18</sup> The 2016 energy savings target is 1,700,000 GJ. The 2017 energy savings target is 2,300,000 GJ.

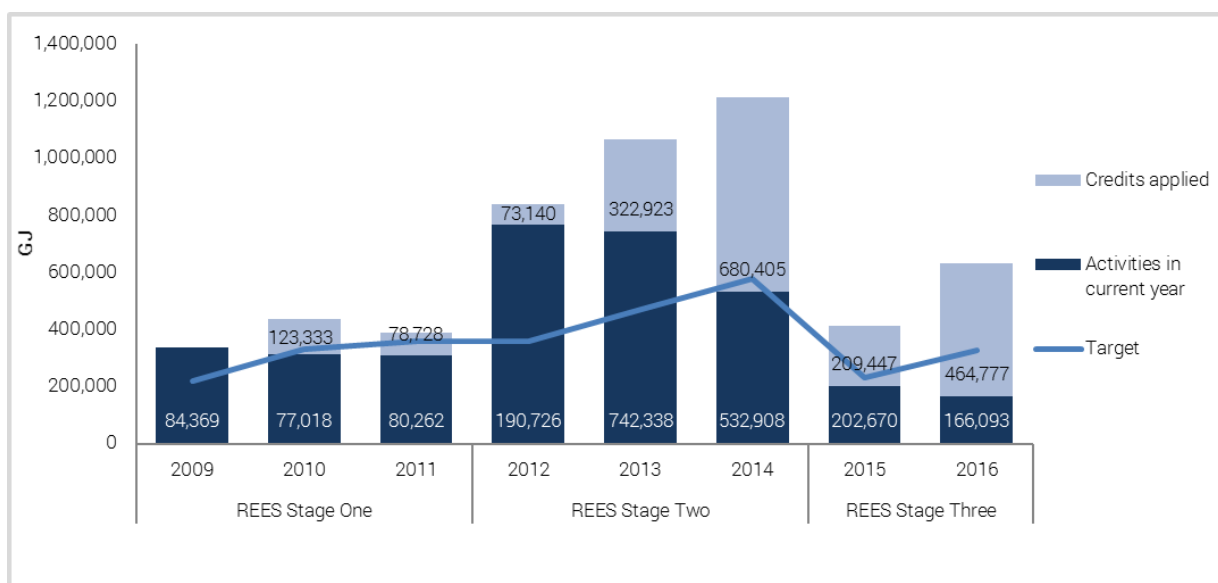
Figure 4.1: Energy savings (GJ) from energy efficiency activities - actual v target



#### 4.1.2 Priority group energy savings from energy efficiency activities

Figure 4.2 illustrates the energy savings achieved and the priority group target for each year of REES.

Figure 4.2: Priority group energy savings (GJ) from energy efficiency activities - actual v target



The proportion of reported priority group energy savings decreased by 18 percent in 2016. Nine percent of overall energy savings were in priority group households in 2016 compared to 42 percent and 18 percent in 2014 and 2015 respectively, reflecting the increased delivery of activities to businesses in 2016. When applied credits are included, the 2016 target was exceeded by 93 percent. All retailers met their 2016 Priority Group Energy Efficiency Targets.

The fall in the proportion of energy savings from priority group households reflects that:

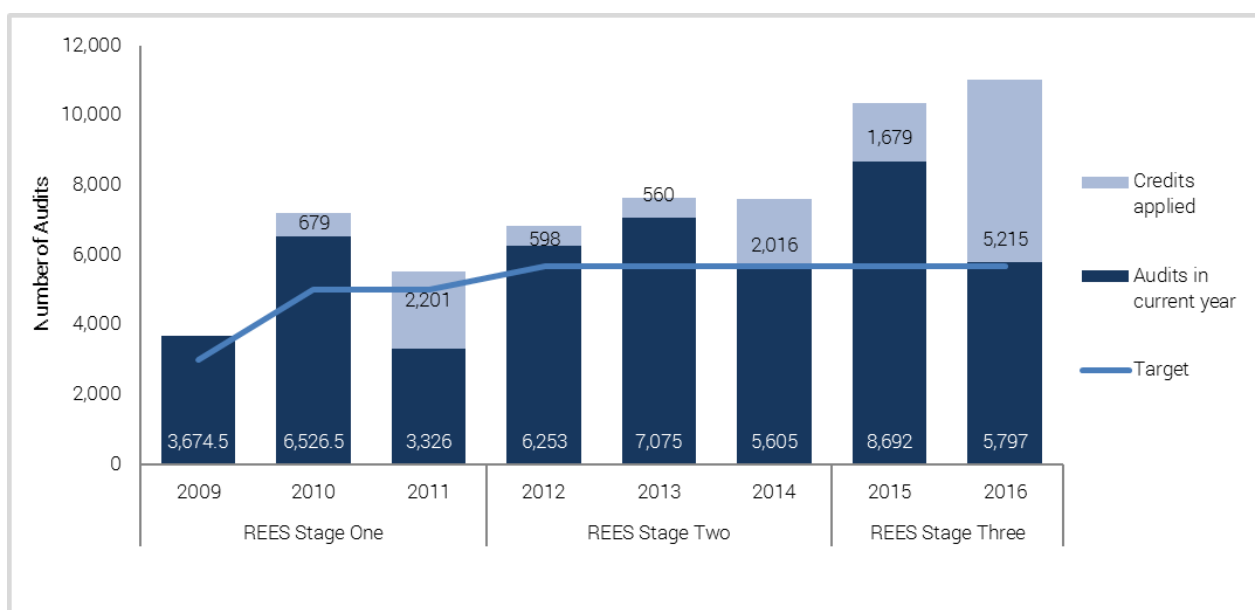
- ▶ The priority group target reduced from 35 percent of energy savings to approximately 19 percent, as REES expanded to include commercial activities.
- ▶ Retailers accrued large priority group credit balances in prior years, and did not need to actively seek priority group activities.

Including credits unapplied in 2016, retailers had a total of 499,109 GJ of priority group credits at the end of 2016. This is enough to exceed the 2017 priority group target by approximately 13 percent.<sup>19</sup>

### 4.1.3 Energy audits

Figure 4.3 illustrates energy audits undertaken and the target for each year of REES.

Figure 4.3: Energy audits - actual v target



There was a 33 percent decrease in energy audits reported in 2016 compared to 2015, with a total of 5,797 energy audits undertaken during the year (see Figure 4.3); a similar level to that undertaken in 2014. When applied credits are included, the 2016 target was exceeded by 94 percent. All retailers met their 2016 Energy Audit Targets.

Including credits unapplied in 2016, retailers had a total of 5,413 energy audit credits at the end of 2016, approximately 95 percent of the 2017 Energy Audit Target.<sup>20</sup>

<sup>19</sup> The 2017 Priority Group Energy Efficiency Target is 442,308 GJ.

<sup>20</sup> The 2017 Energy Audit Target is 5,667 energy audits.

## 5 Analysis of outcomes

### Observations

- ▶ In 2016, 58,471 energy efficiency activities were undertaken, resulting in 1,851,990 GJ of energy savings. Over 420,000 energy efficient products were reported in 2016.
- ▶ The energy savings from commercial lighting in 2016 was over six times more than that delivered in 2015 (1,275,717 GJ in 2016 compared to 188,084 GJ in 2015), however energy savings from commercial showerheads fell by 77 percent compared to 2015 (51,921 GJ in 2016 compared to 226,808 GJ in 2015).
- ▶ Energy savings from residential activities fell by 26 percent in 2016 (524,352 GJ in 2016 compared to 703,928 GJ in 2015). There were significant decreases in the proportion of energy savings from all residential activities, with the exception of SPCs and insulation which increased slightly in the proportion of overall energy savings. However, energy savings from residential activities still account for 92 percent of activities undertaken.
- ▶ The number of activities undertaken in 2016 fell by 17 percent (58,471 in 2016 compared to 70,801 in 2015), but the overall energy savings from activities increased by 66 percent (1,851,990 GJ in 2016 compared to 1,118,820 GJ in 2015). This is due to the large increase in commercial lighting activities, which achieve a higher energy savings value per product installed.
- ▶ The average energy savings per residential activity is 9.7 GJ compared to 275 GJ per commercial activity. It is expected that the level of energy savings from commercial activities will continue to increase as a percentage of the target in 2017 due to the large number of priority and energy audit credits available at the end of 2016 and lack of need to deliver residential activities to achieve priority savings.

This section analyses the distribution of energy efficiency activities and energy audits undertaken, and the type of households and businesses that received energy efficiency activities and energy audits.<sup>21</sup> Figures provided in this section relate to actual reported energy efficiency activities and energy audits for the relevant year and do not include any credits applied from previous years.<sup>22</sup>

### 5.1 Energy efficiency activities

In 2016, 58,471 energy efficiency activities<sup>23</sup> were undertaken, resulting in 1,851,990 GJ of energy savings. Over 420,000 energy efficient products were reported in 2016.

#### 5.1.1 Energy efficiency activities by type

Table 5.1 shows the proportion of the different types of energy efficiency activities undertaken in 2016.

<sup>21</sup> The information presented in this section fulfils the Commission's reporting requirements outlined in the Ministerial Protocol.

<sup>22</sup> In some cases activities reported by retailers were rejected by the Commission in its compliance checking process, eg due to duplicated activities at a single premises. Consequently reported activities in this report refer to those activities reported in a given year that were accepted as compliant by the Commission and excludes any applied credits.

<sup>23</sup> The term 'activity' means the implementation of an activity at an individual premises. For example, the installation of two showerheads in a single premises on a particular day is considered to be one activity, but installing one showerhead and five light globes is considered two activities.

Table 5.1: Energy efficiency activities undertaken in 2016

Activity	Percentage (%)	Premises type
Standby power controllers	35.9	Residential
Residential lighting	33	Residential
Residential showerheads	21.1	Residential
Commercial lighting	8	Commercial
Water heaters	1.6	Residential
Commercial showerheads	0.2	Commercial
Ceiling insulation	0.1	Residential
Draught proofing	0.1	Residential

Of the 28 approved activities (refer section 3.4), nine were utilised during 2016.<sup>24</sup> Residential activities represent 92 percent of activities undertaken. There were 4,824 commercial activities undertaken in 2016, more than three times the amount undertaken in 2015.<sup>25</sup> Installation of standby power controllers (**SPCs**) remains the major activity undertaken, representing 35.9 percent of activities, followed by residential lighting (33 percent) and residential showerheads (21.1 percent). Figure 5.1b shows the split of energy efficiency activities undertaken in each year of REES.

In relation to residential lighting,<sup>26</sup> there was a five percent increase in the number of LED and CFL general service lamps installed, but a 72 percent decrease in the number of downlights activities reported in 2016 when compared to 2015. The Commission is aware that some downlight activities undertaken in 2016 were not reported, which accounts for approximately 50 percent of this decrease. This aside, there was still a large decrease in downlight activities. Anecdotal information received from retailers and third party providers suggests that the cost to deliver a downlight activity is high in comparison to the energy savings that are attributed to that installation. This appears to be predominately due to the requirement for a licensed electrician to undertake these activities, where this is not required for general service lighting activities.

<sup>24</sup> These nine activities are Standby Power Controllers (AV & IT), General Service Lighting, Residential Downlights, Showerhead Replacement (residential and commercial), Water Heaters, Draught Proofing, Ductwork and Commercial Lighting. SPCs contain two activities. Refer REES time series data for a detailed breakdown.

<sup>25</sup> In 2015, 1,639 commercial activities were undertaken.

<sup>26</sup> The Residential Lighting category comprises General Service Lighting and Downlight activities.

Figure 5.1b: Energy efficiency activities undertaken (%)

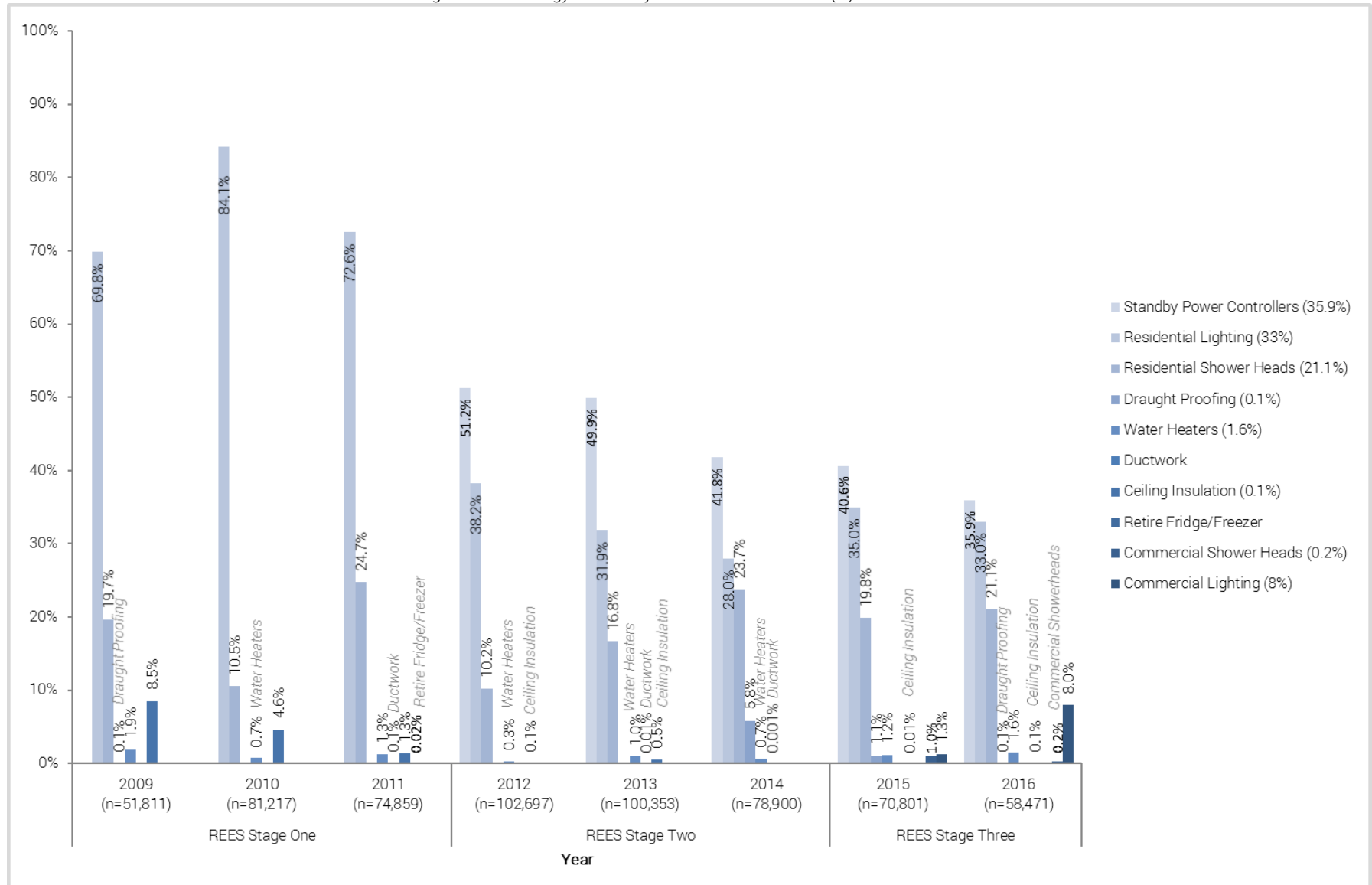


Table 5.2 shows the proportion of energy savings from the different types of energy efficiency activities undertaken in 2016.

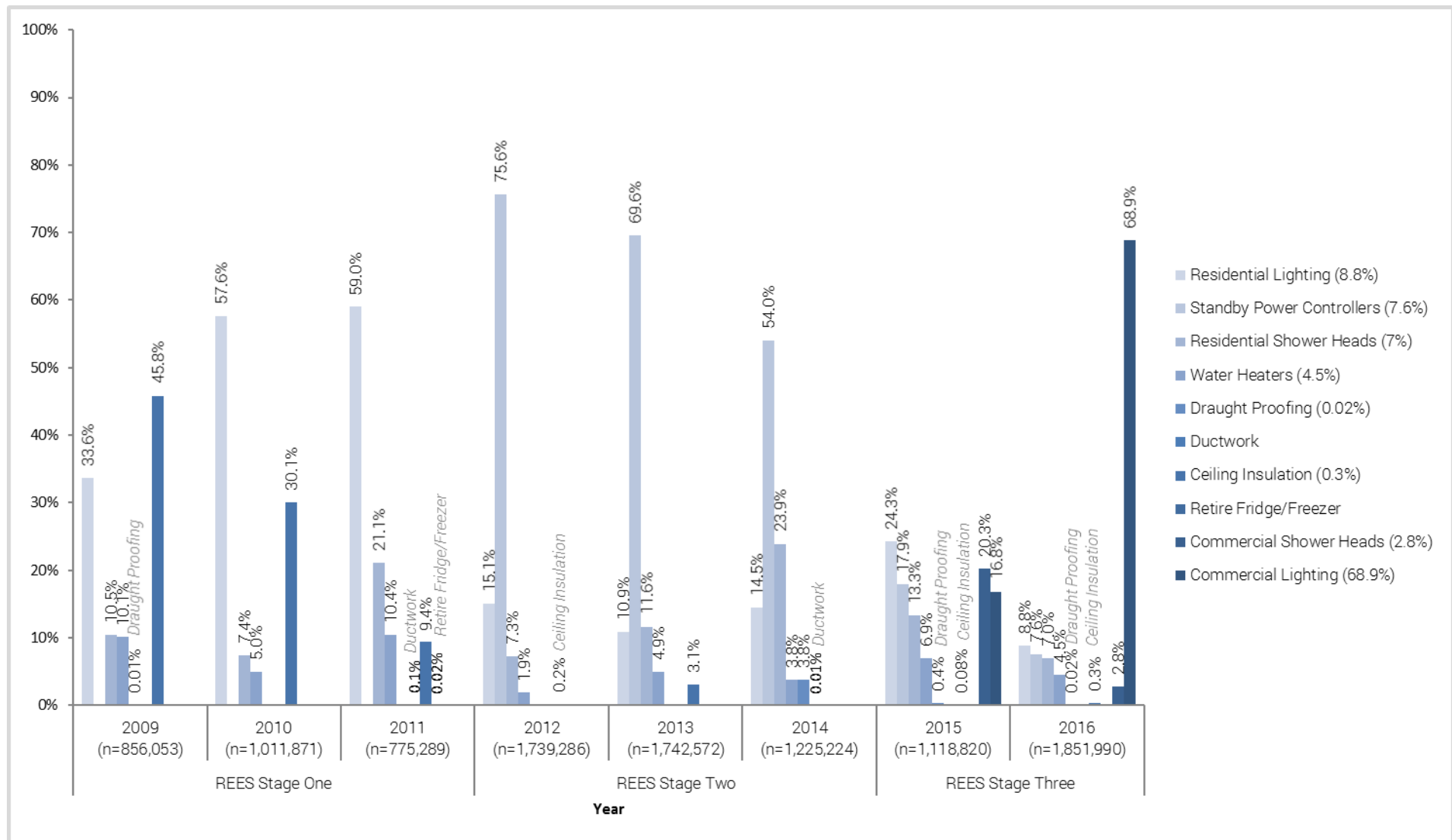
Table 5.2: Energy savings (GJ) from different types of energy efficiency activities in 2016

Activity	Percentage (%)	Premises type
Commercial lighting	68.9	Commercial
Residential lighting	8.8	Residential
Standby power controllers	7.6	Residential
Residential showerheads	7	Residential
Water heaters	4.5	Residential
Commercial showerheads	2.8	Commercial
Ceiling insulation	0.3	Residential
Draught proofing	0.02	Residential

Commercial activities (commercial lighting and commercial showerheads) accounted for 71.7 percent of energy savings from 8.3 percent of activities undertaken in 2016.

Figure 5.1d shows the proportion of energy savings from different types of energy efficiency activities in each year of REES.

Figure 5.1d: Energy savings (GJ) from different types of energy efficiency activities (%)





## 5.1.2 Energy efficiency activities by household location

Activity information received from retailers has been categorised into three locations - metro/near Adelaide, regional and remote. The postcodes applying to each location, are detailed in Appendix B. The proportion of activities undertaken in each of these locations is outlined in Figure 5.2a, and the proportion of energy savings from those activities in each location is in Figure 5.2b.

Figure 5.2a: Location of energy efficiency activities (%)

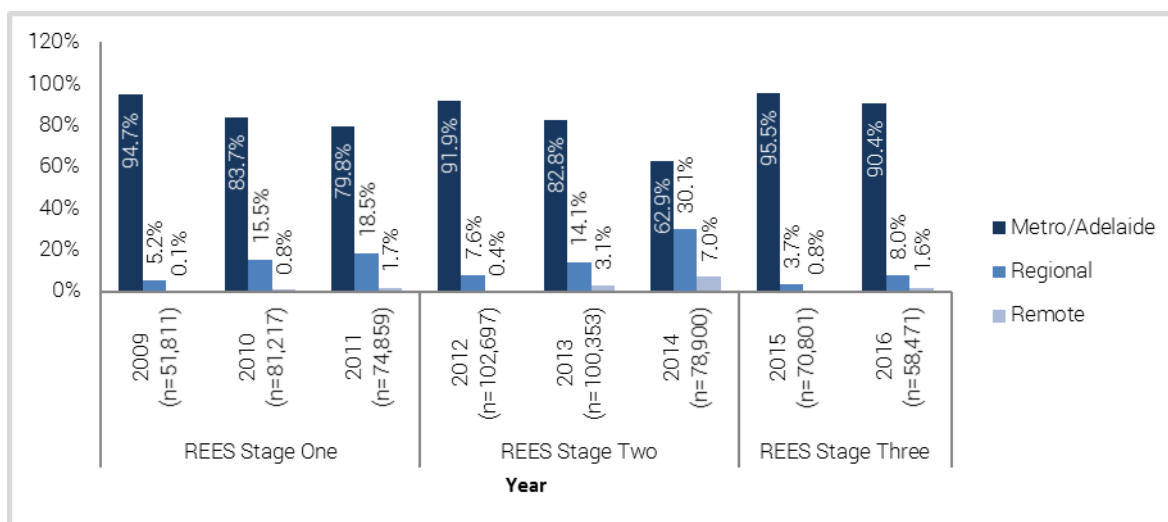
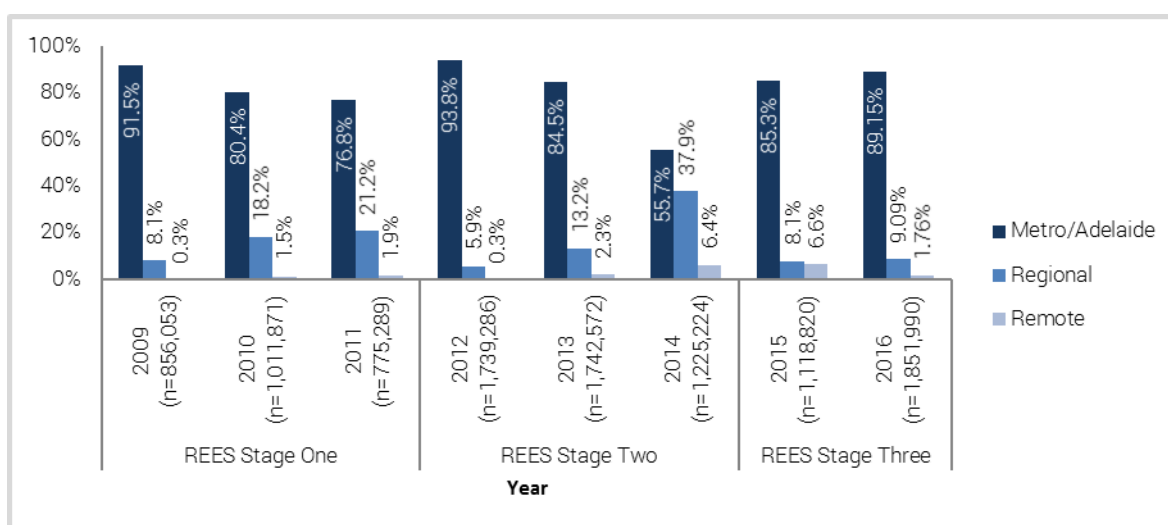


Figure 5.2b: Location of energy savings (GJ) (%)



The proportion of activities conducted in regional and remote areas increased to 9.6 percent in 2016, compared to 4.5 percent in 2015. This was driven by an increase in the number of residential lighting and SPC activities delivered in regional areas in 2016.

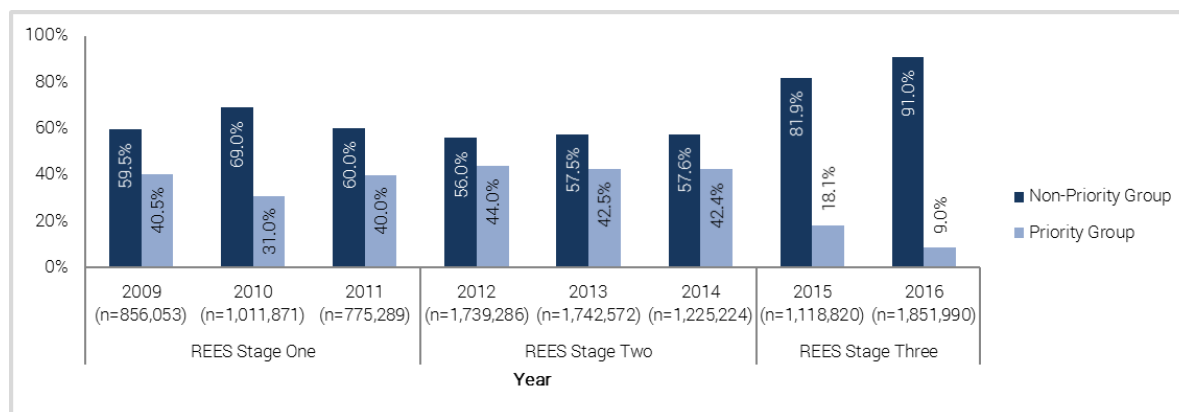
As observed in REES Stages One and Two, new activities tend to be rolled out in metropolitan areas first. Once the metropolitan area becomes saturated with particular REES activities, those activities are then rolled out to regional and remote areas.

Data on energy efficiency activities performed, segmented by postcode, is available in the REES time series data.

### 5.1.3 Energy efficiency activities by household type

Primary obliged retailers are set a Priority Group Energy Efficiency Target as a proportion of their general Energy Efficiency Target, based on their number of South Australian residential customers. The proportion of energy savings from activities in priority and non-priority group households is outlined in Figure 5.3a. The proportion of energy savings from activities in different tenure properties is outlined in Figure 5.3b.

Figure 5.3a: Energy savings (GJ) - priority group v non-priority group premises (%)



Nine percent of energy savings were achieved through activities provided to priority group households in 2016. Considering the residential only (excluding commercial activities) portion of activities undertaken, 29 percent of residential energy savings were in priority group households in 2016. This is a much lower proportion than in previous years. In normalised GJ terms, the target lowered from 1.4 million GJ in 2012-2014 to 1 million GJ in 2015-2017. Some retailers also have significant energy credits relating to energy audits undertaken in previous years in excess of annual targets. Of residential activities undertaken in 2016, 35 percent were in priority group households, compared to 45 percent between 2009 and 2014.

Figure 5.3b: Energy savings (GJ) - nature of tenure of households (%)

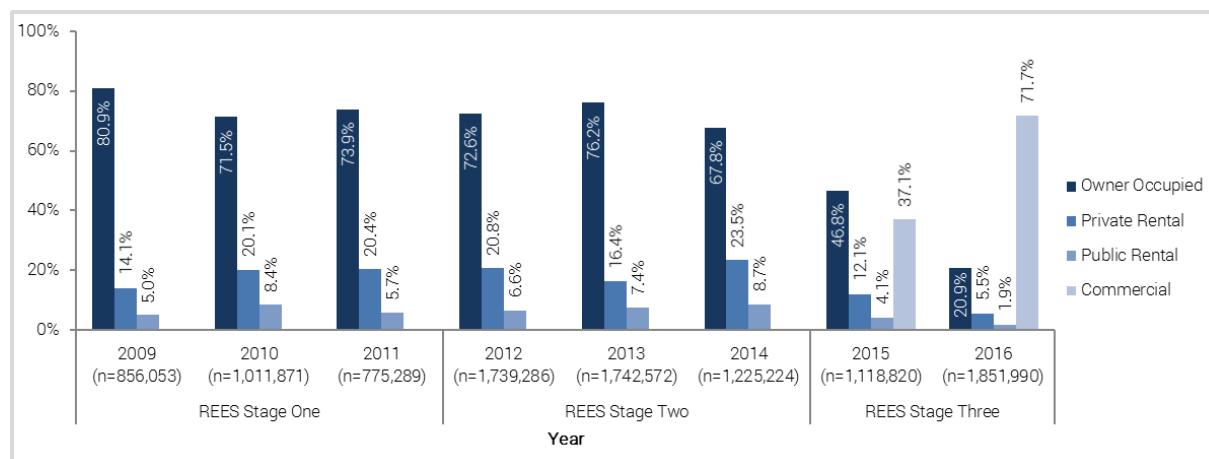


Figure 5.3b shows a significant reduction in the proportion of energy savings undertaken in residential households. When energy savings from commercial activities are excluded, 74 percent of residential energy savings were in owner-occupied households and 26 percent were in rental households – a similar split to 2009 to 2013. Of residential activities undertaken, 65 percent were in owner-occupied households - compared to 71 percent between 2009 and 2014.

On average, the energy savings per owner-occupied households were 52 percent higher than in rental households (11.1 GJ per visit for owner occupied households, 7.3 GJ per visit for rental households). A major driver of this was the high levels of energy savings from LED downlights, of which 97 percent were installed in owner-occupied households. Typically, third party providers require a customer co-contribution towards downlight installations, which may lead to a higher rate of activities in owner occupied homes as opposed to rental households.

The REES time series data provides a detailed breakdown of the nature of energy efficiency activities conducted by household tenure.

## 5.2 Commercial activities

REES was expanded in 2015 to allow activities to be undertaken in commercial premises. Table 3.2 lists the types of activities that can be undertaken in businesses. In 2016, only commercial showerheads and commercial lighting activities were undertaken.

There were 4,824 commercial activities undertaken in 2016, a significant increase from 1,639 in 2015. Commercial activities accounted for 8.3 percent of activities undertaken and 71.7 percent of energy savings. A total of 3,315 businesses received energy efficiency activities – either commercial lighting, commercial showerheads or both.

### 5.2.1 Location of commercial activities

Figure 5.7 shows that 91.9 percent of commercial activities were undertaken in metropolitan areas. The postcodes applying to each location are detailed in Appendix B.

Figure 5.7: Location of commercial activities (%)

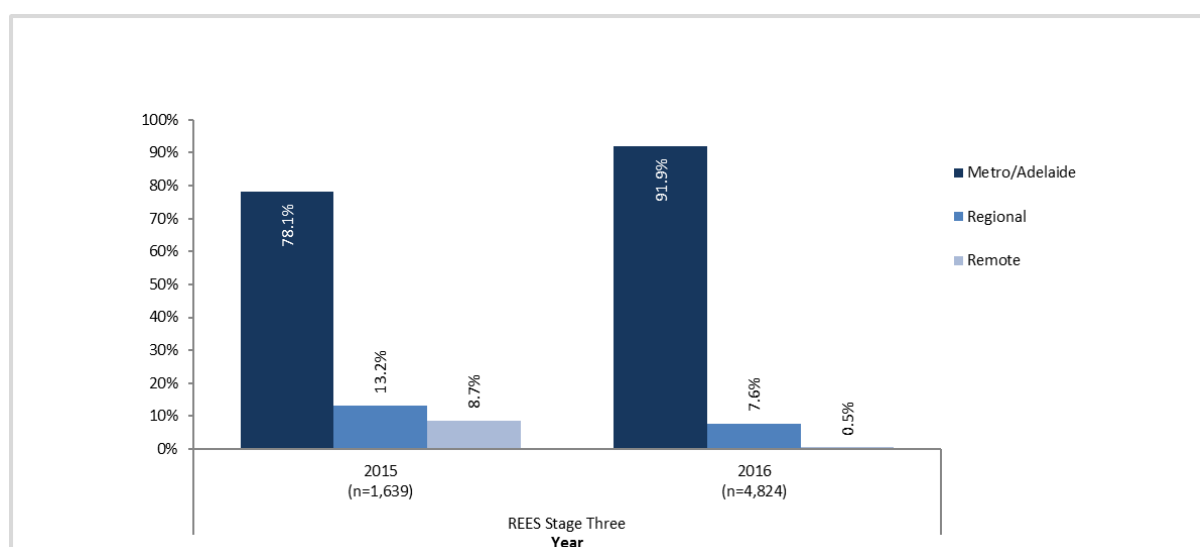


Table 5.3 shows that while the percentage of commercial activities in metropolitan areas increased, the number of commercial showerhead activities decreased in all regions.

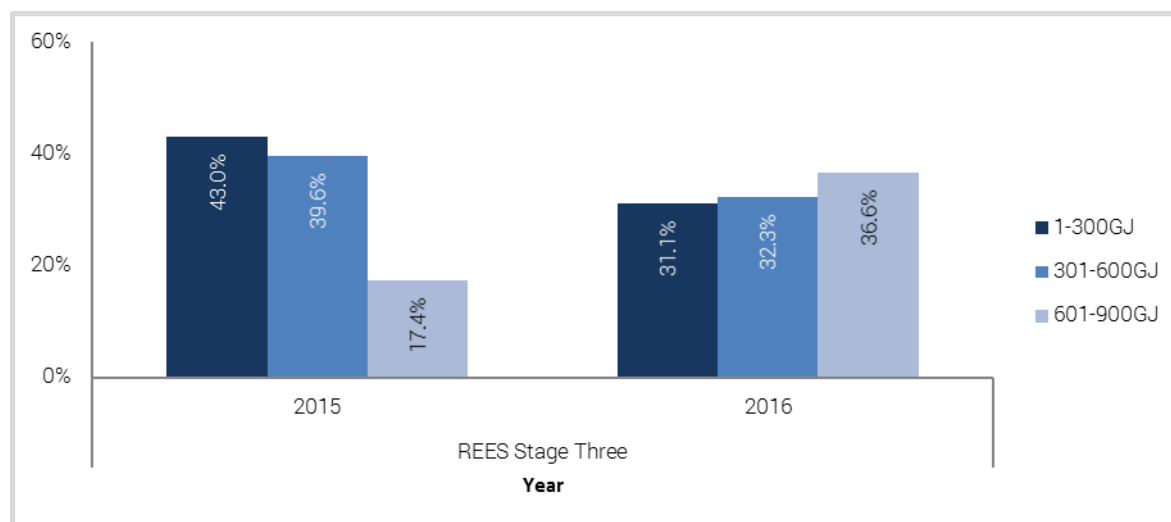
Table 5.3: Number of commercial activities by region

Region	Activity	2015		2016	
		Number of activities	%	Number of activities	%
Metro/Adelaide	Showerheads	369	22.5	16	2.4
	Commercial Lighting	911	55.6	4,316	89.5
<b>Metro/Adelaide total</b>		<b>1,280</b>	<b>78.1</b>	<b>4,432</b>	<b>91.9</b>
Regional	Showerheads	216	13.2	14	0.3
	Commercial Lighting	-	0.0	355	7.4
<b>Regional total</b>		<b>216</b>	<b>13.2</b>	<b>369</b>	<b>7.6</b>
Remote	Showerheads	142	8.7	4	0.1
	Commercial Lighting	1	0.1	19	0.4
<b>Remote total</b>		<b>143</b>	<b>8.7</b>	<b>23</b>	<b>0.5</b>
<b>Grand total</b>		<b>1,639</b>	<b>100</b>	<b>4,824</b>	<b>100</b>

## 5.2.2 Commercial lighting

There were 4,690 commercial lighting activities reported across 3,200 business premises.<sup>27</sup> Figure 5.4b shows the breakdown of those installations by size of energy savings. Commercial lighting activities can be delivered at all eligible premises, although only up to 900 GJ of energy savings from those installations can be claimed for REES. While commercial lighting activities were focussed on smaller installations in 2015 (in terms of energy savings), 2016 saw the percentage of installations between 601-900 GJ more than double.

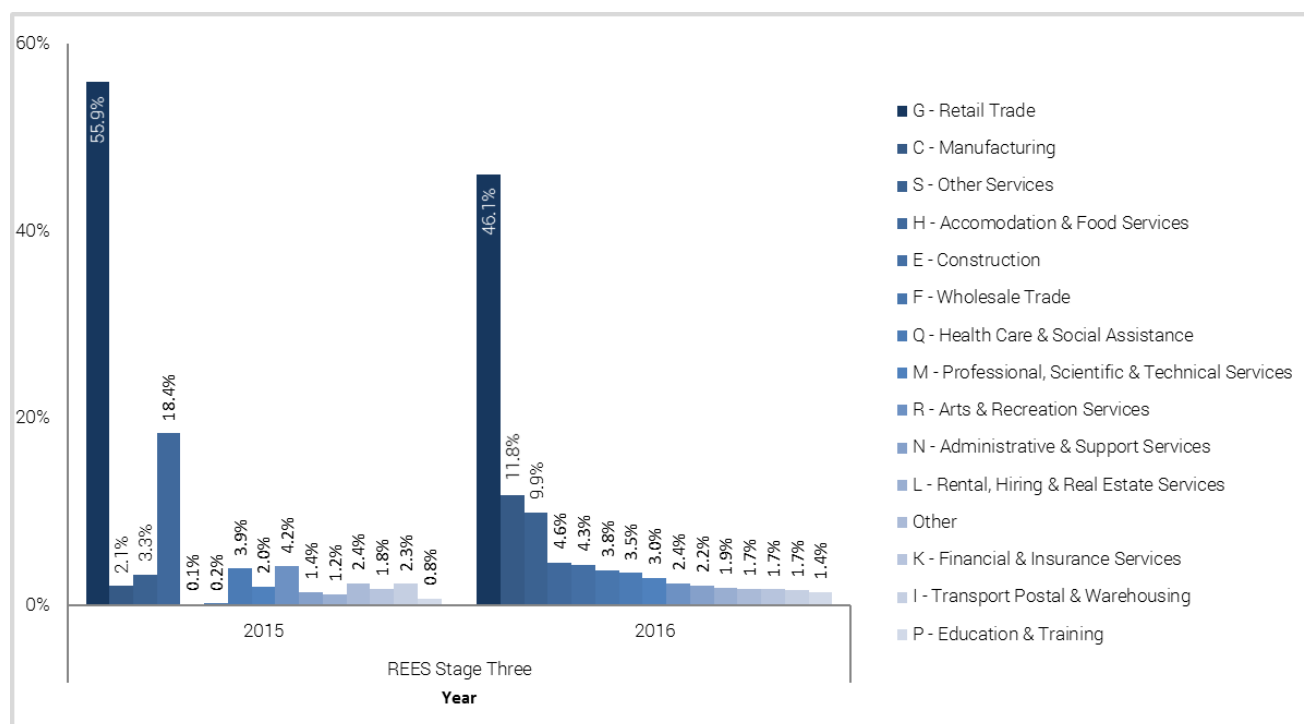
Figure 5.4b: Commercial lighting installations - energy savings per premise (%)



<sup>27</sup> One premise may receive multiple types of lighting (ie downlights and linear lighting) in one visit, each counting as one activity.

Figure 5.4c shows the breakdown of the 3,200 commercial lighting installations by type of business. Notably, retail businesses made up 46.1 percent of businesses receiving a commercial lighting installation.

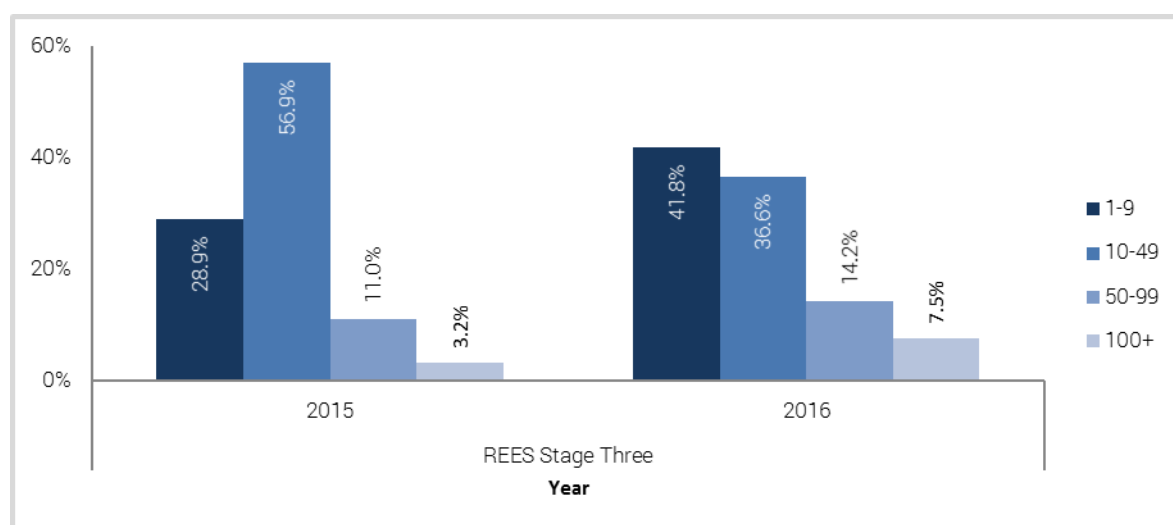
Figure 5.4c: Type of business receiving commercial lighting installations (%)



### 5.2.3 Commercial showerheads

There were 134 commercial showerhead activities reported across 130 business premises.<sup>28</sup> This represents a large decrease from 727 activities across 648 businesses in 2015. Figure 5.2c shows the breakdown of the 134 installations by number of showerheads installed. Forty seven percent of energy savings relate to installations from 10 businesses where 100 or more showerheads were installed at the premises.

Figure 5.4d: Size of commercial showerhead installations – number per premises (%)



<sup>28</sup> One premises may receive multiple types of showerheads (ie 6L/minute and 9L/minute) in one visit, each counting as one activity.

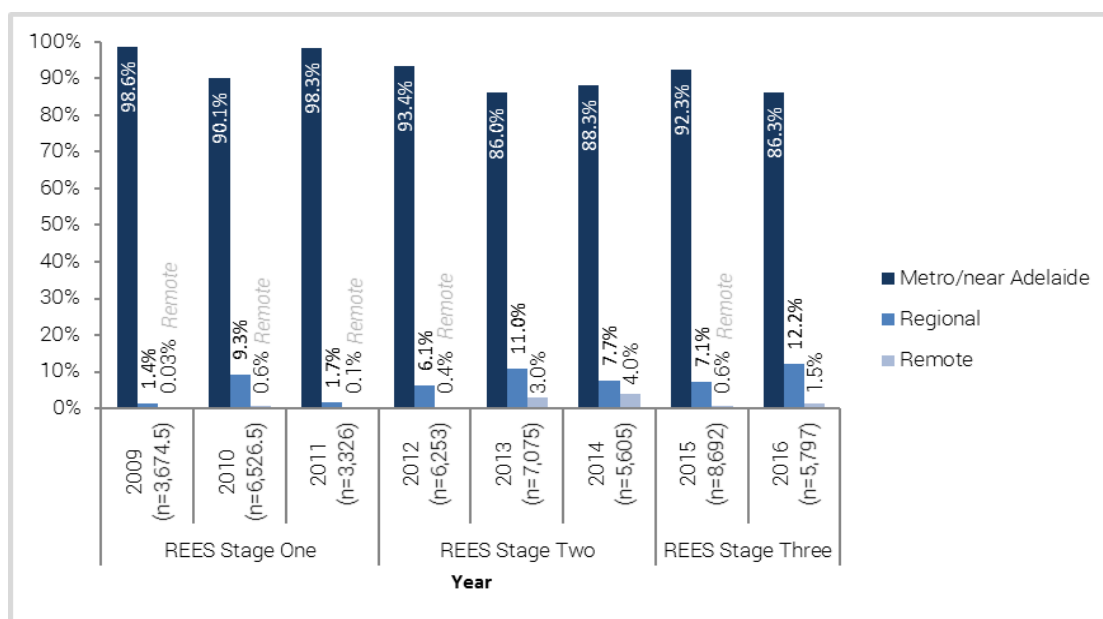
## 5.3 Energy audits

There were 5,797 energy audits delivered to households. All energy audits are required to be undertaken in priority group households.

### 5.3.1 Energy audits by household location

Figure 5.5 shows the level of energy audit activity in the metro/near Adelaide, regional and remote areas of South Australia.

Figure 5.5: Location of energy audits (%)

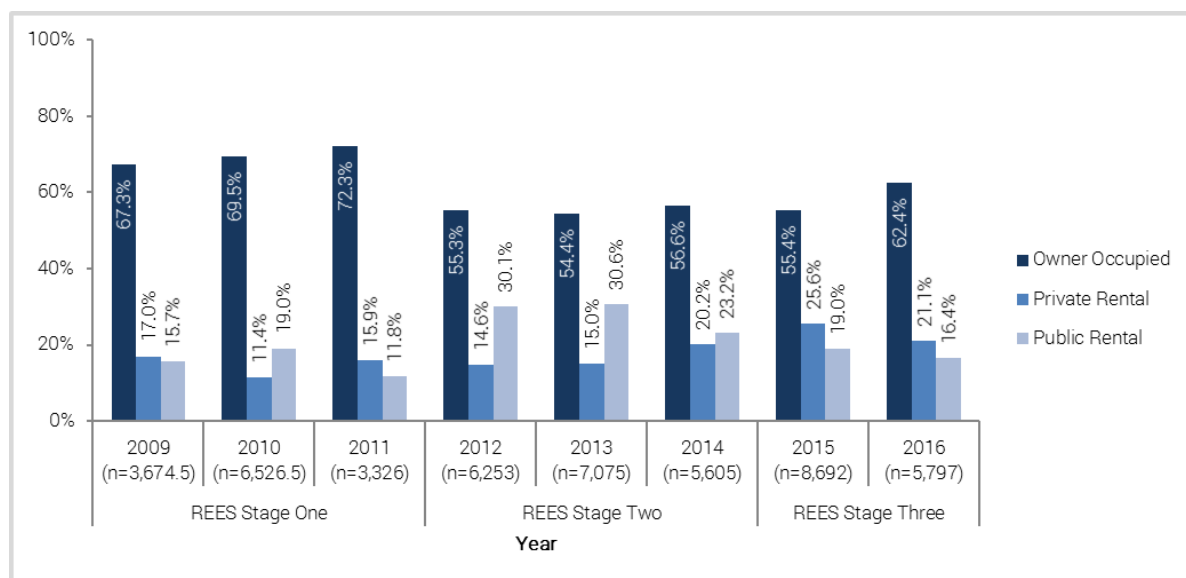


Eighty six percent of energy audits were performed in the metro/near Adelaide area. There was an increase in the number of energy audits delivered in regional and remote areas compared to 2015. Data on energy audits performed, segmented by postcode, are available in the REES time series data.

### 5.3.2 Energy audits by household type

Figure 5.6 shows the nature of tenure of households where energy audits have been undertaken.

Figure 5.6: Energy audits - nature of tenure of households (%)

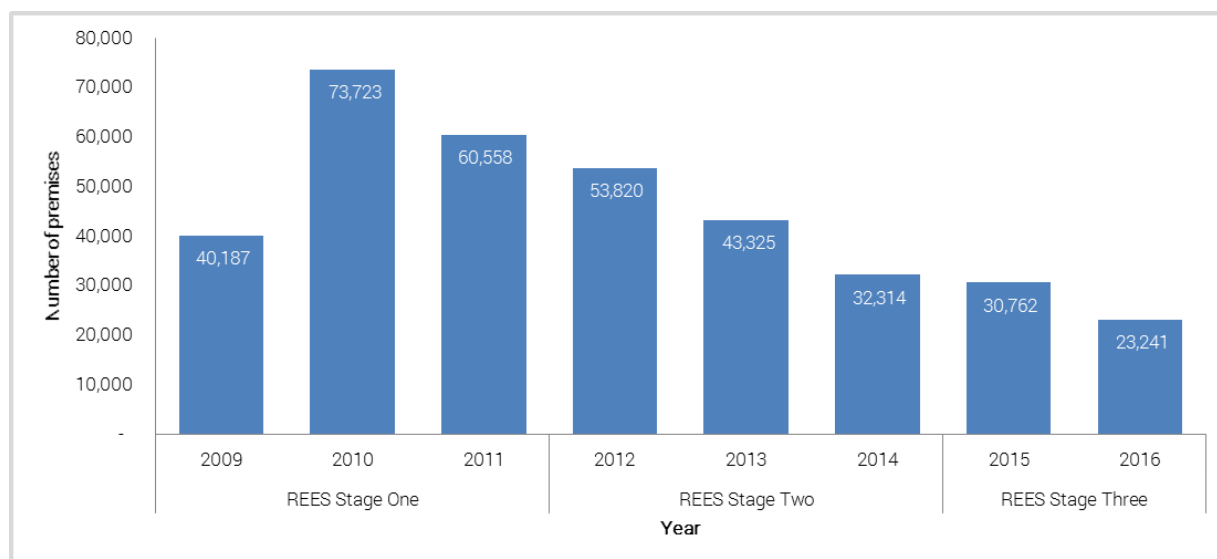


The number of audits undertaken in owner-occupied households increased to 62 percent in 2016.<sup>29</sup>

### 5.4 Households and businesses receiving an energy efficiency activity or energy audit

Figure 5.7 shows the annual number of premises that have received either an energy efficiency activity or energy audit.<sup>30</sup>

Figure 5.7: Number of premises receiving an energy efficiency activity or energy audit<sup>31</sup>



<sup>29</sup> Sixty-eight percent of households are owner-occupied, 28 percent rented and 4 percent unknown, Source Australian Bureau of Statistics Census Data 2011: Quick Stats (refer [www.abs.gov.au](http://www.abs.gov.au)).

<sup>30</sup> Some households may have received benefits from both energy audits and energy efficiency activities but are only counted once.

<sup>31</sup> Historical figures used in section 4.3 vary slightly (by a maximum of 1.5 percentage points) from the 2013 Annual Report as that report used a different calculation method.

There were 23,241 premises<sup>32</sup> that received an energy efficiency activity or energy audit. This was a 24 percent decrease compared to 2015. This reflects that 19 percent fewer activities and audits were undertaken in 2016 compared to 2015.

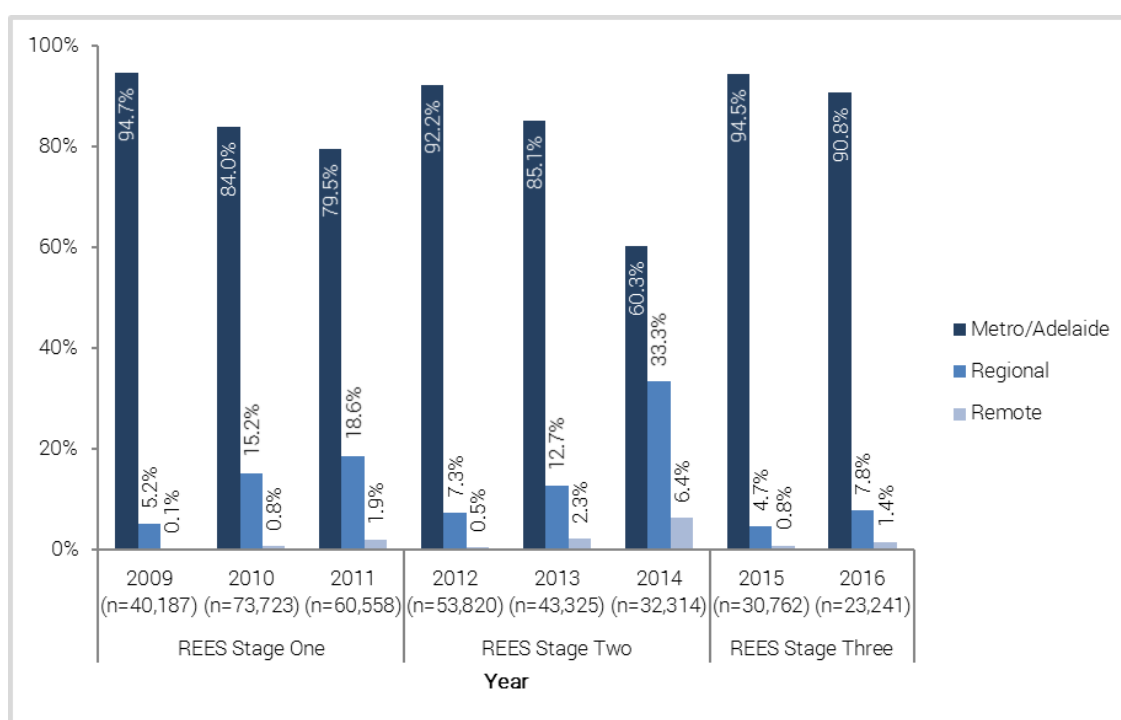
Excluding the 3,315 commercial premises that received an energy efficiency activity in 2016, the average energy savings per household continues to decline, from 24 GJ in 2015 to 22.6 GJ.

A total of 280,715 premises have received an energy efficiency activity or energy audit since REES began in 2009. Due to multiple visits to some premises to perform different activities, this figure is less than the sum for years 2009 to 2016 (357,981) as shown in Figure 5.7.

#### 5.4.1 Household location

Figure 5.8 shows the location of premises that have received an energy efficiency activity or energy audit.

Figure 5.8: Location of premises receiving an energy efficiency activity or energy audit (%)



The proportion of energy efficiency activities and energy audits conducted in regional and remote areas increased to just over nine percent in 2016 from to six percent in 2015, and compared to 40 percent in 2014. The key drivers for this are the same as set out in section 5.1.2.

#### 5.4.2 Household type

Figure 5.9a shows the proportion of priority group households that have received an energy efficiency activity or energy audit. Figure 5.9b shows the tenure of premises that have received an energy efficiency activity or energy audit.

Priority group households accounted for 35 percent of premises receiving an energy efficiency activity or energy audit. The proportion of priority group activities for REES Stage Three to date is significantly less than in prior years. This largely reflects the reduction of the priority group target as a proportion of the overall target following the introduction of commercial activities in 2015 (see section 5.1.3).

<sup>32</sup> Residential households 19,926 and 3,315 commercial premises.



Figure 5.9a: Priority group v non-priority group premises receiving a REES activity or energy audit (%)

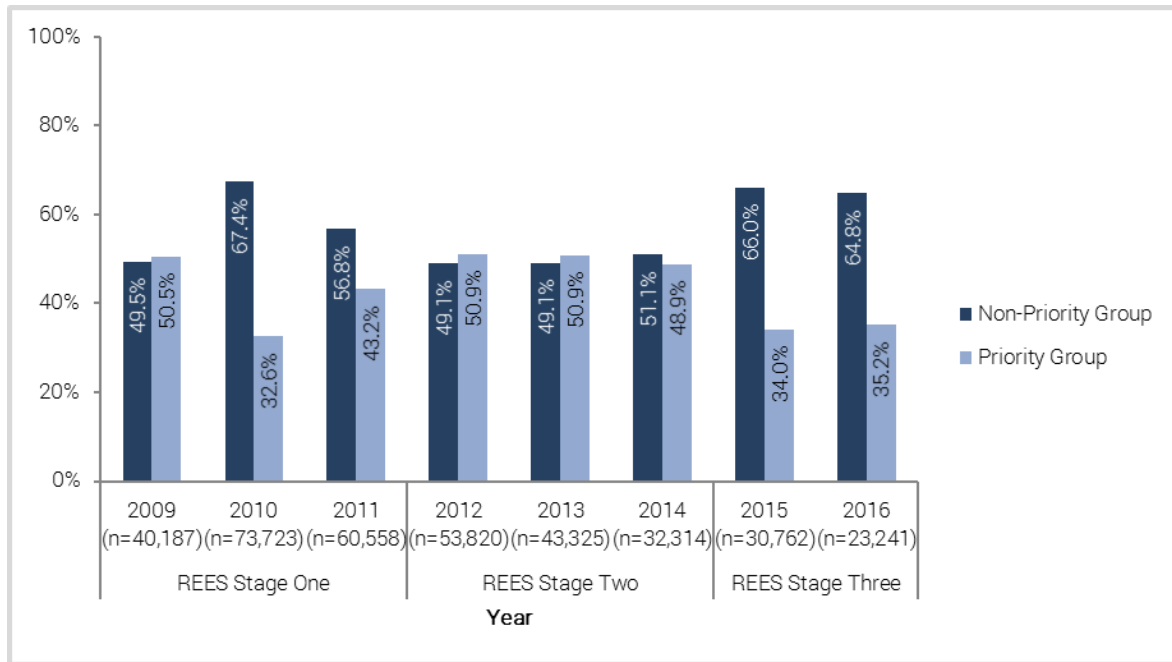
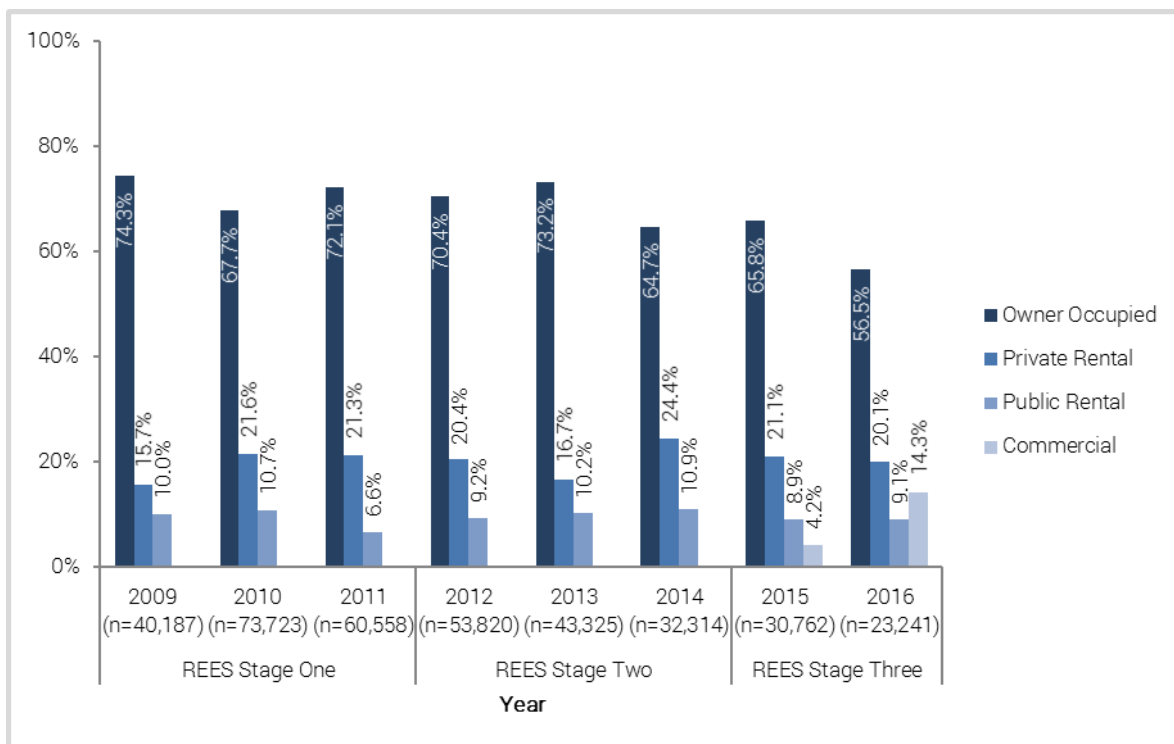


Figure 5.9b: Nature of tenure of premises receiving a REES activity or energy audit (%)



Owner-occupied households accounted for 56.5 percent of premises receiving an energy efficiency activity or energy audit. When residential only activities or audits are considered, 66 percent were delivered in owner-occupied households, and 34 percent in rental households. This is broadly reflective of the property ownership profile in South Australia.<sup>33</sup>

<sup>33</sup> Sixty-eight percent of households are owner-occupied, 28 percent rented and 4 percent unknown, Source Australian Bureau of Statistics Census Data 2011: Quick Stats (refer [www.abs.gov.au](http://www.abs.gov.au)).

## 6 Administration of REES

As the administrator of REES, the Commission's main functions in 2016 included:

- ▶ Regular reporting on REES progress and outcomes.
- ▶ Reviewing the REES Guideline, which sets the reporting requirements for the data that retailers report to the Commission to enable it to apportion REES targets.
- ▶ Redevelopment of the REES IT system, with associated internal controls and processes.
- ▶ Provision of regulatory advice on REES matters to obliged retailers, and regular review of the REES page on the Commission's website.
- ▶ Ensuring compliance with the REES Code and relevant Acts and Regulations, including assessing achievement of targets.
- ▶ Responding to customer complaints and enquiries.

### 6.1 REES Code

The REES Code establishes requirements in relation to the conduct and operations of energy retailers in satisfaction of their REES obligations. In October 2014, the Commission consulted on changes to the REES Code relating to the proposed changes to the scheme from 1 January 2015. The final amendment to the REES Code, released in December 2014, came into effect from 1 January 2015.<sup>34</sup> No revisions were made to the REES Code in 2016.

### 6.2 REES Guideline

The REES Guideline sets out reporting requirements for the data that retailers report to the Commission to enable it to apportion REES targets. The Commission consulted on changes to the REES Guideline in 2015 and released an amended Guideline in September 2015. The main changes to the Guideline were to clarify what data should be reported to the Commission, provide examples of types of evidence to be maintained by retailers and to require retailers to have a documented process in place regarding producing designated energy purchases data. The changes aim to ensure consistency of reporting by retailers. There were no revisions made to the REES Guideline in 2016.

### 6.3 REES IT system

The Commission maintains a REES-IT system, consisting of two main parts:

- ▶ The Retailer File Validation System (**REES-R**) – a web based system for retailer and third party validation and reporting of data to the Commission. The REES-R provides retailers with a live summary of their year-to-date achievement levels against their REES targets.
- ▶ REES Data Management Systems (**DMS**) – data management and reporting systems used by the Commission to maintain REES master data, monitor target achievement and administer user access.

The REES-R was redeveloped in 2014 to a data 'submission' system whereby retailers and third party providers can validate data against a full suite of compliance rules and lodge compliant data in the system for retailers to review and submit towards annual targets. Previously, the Commission could only undertake a full compliance assessment on an annual basis at the close of the REES year. The

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<sup>34</sup> Essential Services Commission, Retailer Energy Efficiency Scheme Code, REESC/08 January 2015 (as in force in 2016); available at: <http://www.escosa.sa.gov.au/ArticleDocuments/220/20141218%20-%20REES%20-%20REESCode08.pdf.aspx?Embed=Y>.

REES-R now provides real time information on the compliance of data and retailer progress towards annual targets, greatly improving the certainty of data compliance and improving the efficiency of REES data reporting for retailers and third party providers.

Improvements made to the REES-R and REES DMS have led to a significant reduction in the manual processing of data by Commission staff, allowing resources to be better utilised in other areas of REES, such as compliance and risk management.

## 6.4 REES communication

The Commission places great importance on working cooperatively with scheme participants and other stakeholders. This has involved regular informal telephone discussions and written communications with obliged retailers and third party providers, face to face meetings, and the issuing of advisory REES Bulletins which provide interpretations and practical advice of specific REES issues.

The Commission updates the REES related pages on its website regularly to ensure current and consistent communication to all interested parties. A direct link to the REES main page is provided on the Commission's website homepage.

## 6.5 Compliance

The Commission takes a risk-based approach towards REES compliance. This balances the need for a strong culture of compliance against the associated costs for regulated entities. It relies on obliged retailers having robust compliance systems and processes in place (based on the Australian Standard on Compliance Programs, AS 3806-2006). Retailers' compliance systems and processes should allow them to adequately identify and appropriately respond to their obligations and report any breaches to the Commission at the earliest opportunity.

The Commission's REES compliance regime consists of:

- ▶ requiring retailers to develop annual compliance plans
- ▶ assessing whether retailers meet their REES annual targets
- ▶ conducting, or requiring retailers to conduct, compliance audits in response to identified areas of risk
- ▶ compliance reporting, and
- ▶ administering the penalty regime.

The compliance approach taken by the Commission for REES is similar to the Commission's approach to compliance in general; however, given the high level of consumer interaction, the Commission has taken a stronger up-front approach to compliance, actively seeking information and assurance on retailers' activities and actions.

In undertaking its compliance role, the Commission is guided by its legislative objectives, in particular the need to protect the long-term interests of South Australian consumers. The Commission has published an Enforcement Policy,<sup>35</sup> providing guidance on the criteria and processes it uses in determining the type of enforcement action required on a case by case basis.

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<sup>35</sup> The Commission's Enforcement Policy is available on the Commission's website at:  
[http://www.escosa.sa.gov.au/ArticleDocuments/580/130905-EnforcementPolicy\\_V2-5.pdf.aspx?Embed=Y](http://www.escosa.sa.gov.au/ArticleDocuments/580/130905-EnforcementPolicy_V2-5.pdf.aspx?Embed=Y).

### 6.5.1 Compliance plans

The Commission requires that retailers submit a compliance plan at the beginning of each REES year (due by 31 March).

The Commission reviews these plans to assess the extent to which retailers have put into place mitigation and management strategies aimed at ensuring that they are able to meet their REES obligations and manage various risks. The REES Code sets out the minimum requirements of a compliance plan. A comprehensive compliance plan reduces the risk that activities reported towards annual REES targets will be precluded by the Commission for failing to comply with the REES Code or other relevant legal requirements.<sup>36</sup>

The Commission's review of retailers' draft compliance plans identified various improvements which some retailers were required to make to their final plans to ensure they met the requirements set out in the REES Code.

Retailers are required to advise the Commission of any material changes to the information provided in their compliance plans (such as a change in the activities it intends to undertake) within 20 business days of such a change occurring.

### 6.5.2 Annual target compliance

The Commission assesses whether retailers have met their REES annual targets for energy efficiency activities and energy audits. In assessing retailers' REES annual achievements, the Commission undertakes compliance assessments of all energy efficiency activities and energy audits against the requirements of the REES Code. The REES-R provides real time information on the compliance of data and retailer progress towards annual targets, greatly improving the certainty of data compliance and improving the efficiency of REES data reporting for retailers and third party providers. Reporting changes implemented from the start of 2015 also allowed for reported data to be assessed for compliance throughout the REES year, instead of solely at year-end as occurred in previous years.

### 6.5.3 Other compliance work

In addition to the automated compliance testing built in to the REES-R system, Commission staff also undertake further compliance testing across all reported data; including data reasonableness checks and desktop data audits.

Desktop audits generally focus on areas identified as having a higher risk of non-compliance or where requirements under REES are new or varied from previous years. Retailers are required to provide an evidence pack to support the activities being audited by the Commission. The Commission assesses whether the evidence supports the activity reported, and meets the requirements of the minimum specification for the audited activity. Where the evidence provided is insufficient or does not meet minimum requirements, the frequency and/or extent of those desktop audits increases until a satisfactory level of compliance is consistently demonstrated.

The Commission will reject data submitted by retailers towards their targets if it is found to be non-compliant with the REES Code or applicable activity specification. In 2016, data rejections by the Commission were made to correct administrative errors, such as reporting under a wrong activity code or data entry errors, and relating to non-compliant installations or paperwork.

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<sup>36</sup> All REES Bulletins are available on the Commission's website at: <http://www.escosa.sa.gov.au/residential-energy-efficiency-scheme-rees/rees-bulletins.aspx>.

The Commission continues to monitor retailers' compliance with the REES Code by undertaking projects such as (but not limited to):

- ▶ 'Mystery shopping' telephone calls to ensure that call centre staff are providing customers with basic information about REES.
- ▶ Undertaking targeted audits on obliged retailers' compliance systems from time to time to ensure compliance with the REES Code provisions.
- ▶ Follow-up calls to customers to ensure that energy efficiency activities/energy audits have been implemented according to the relevant specification in response to complaints received.
- ▶ Data reasonableness checks and desktop data audits focusing on areas identified as having a higher risk of non-compliance.

In general, the Commission has been satisfied with the level of compliance demonstrated by retailers from the compliance investigations undertaken in 2016.

## **6.6 Consumer complaints and REES enquiries**

The Commission responded to customer enquiries and complaints during the year, the majority of which were from customers seeking to access activities offered through REES, and queries in relation to becoming involved in the scheme as a third party contractor. Eighteen complaints were received in 2016, mainly concerning non-attendance of installers at booked appointments, lack of responsiveness from contractors carrying out energy efficiency activities or energy audits on behalf of obliged retailers and performance of installed products. The Commission investigated all of these complaints and ensured that the issues were resolved to the satisfaction of the customer or complainant.

## APPENDIX A – INDIVIDUAL RETAILER 2016 ACHIEVEMENT

Table A1: Energy Efficiency Target (GJ)

		Target	Accepted reports	Credit applied	Total achievement
AGL SA	Electricity	651,225	687,437	245,841	933,278
	Gas	83,156	98,205	-	98,205
Alinta Energy	Electricity	45,842	45,634	3,501	49,135
	Gas	5,833	6,966	-	6,966
EnergyAustralia	Electricity	164,629	167,048	-	167,048
	Gas	31,249	28,693	6,135	34,828
ERM Power	Electricity	10,218	10,259	-	10,259
Lumo Energy	Electricity	62,671	39,953	39,164	79,117
Momentum Energy	Electricity	47,896	28,688	36,697	65,385
Origin Energy	Electricity	254,228	318,621	65,442	384,063
	Gas	144,765	243,410	-	243,410
Powerdirect	Electricity	76,351	159,160	10,397	169,557
Simply Energy	Electricity	104,872	17,915	104,872	122,787
	Gas	17,065	-	17,065	17,065
<b>Grand Total</b>		<b>1,700,000</b>	<b>1,851,990</b>	<b>529,114</b>	<b>2,381,104</b>

\*Figures may not sum due to rounding

Table A2: Priority Group Energy Efficiency Target (GJs)

		Target	Accepted reports	Credit applied	Total achievement
AGL SA	Electricity	98,819	982	243,071	244,053
	Gas	36,650		90,004	90,004
Alinta Energy	Electricity	9,158	6,654	2,977	9,631
	Gas	4,156	4,547	-	4,547
EnergyAustralia	Electricity	22,643	36,888	-	36,888
	Gas	15,225	1,030	33,823	34,853
Lumo Energy	Electricity	12,069	12,071	-	12,071
Momentum Energy	Electricity	1,526	1,539	-	1,539
Origin Energy	Electricity	41,998	67,574	-	67,574
	Gas	50,657	34,808	44,657	79,465
Powerdirect	Electricity	4,415		20,637	20,637
Simply Energy	Electricity	20,046		20,046	20,046
	Gas	9,562		9,562	9,562
<b>Grand Total</b>		<b>326,923</b>	<b>166,093</b>	<b>464,777</b>	<b>630,870</b>

Table A3: Energy Audit Target (GJs)

		Target	Accepted reports	Credit applied	Total achievement
AGL SA	Electricity	1,713	74	3,160	3,234
	Gas	635	701	1,000	1,701
Alinta Energy	Electricity	159	218	8	226
	Gas	72	100	8	108
EnergyAustralia	Electricity	392	409	-	409
	Gas	264	300	9	309
Lumo Energy	Electricity	209	200	57	257
Momentum Energy	Electricity	26	28	-	28
Origin Energy	Electricity	728	1,809	298	2,107
	Gas	878	1,958	-	1,958
Powerdirect	Electricity	77		162	162
Simply Energy	Electricity	347		347	347
	Gas	166		166	166
<b>Grand Total</b>		<b>5,667</b>	<b>5,797</b>	<b>5,215</b>	<b>11,012</b>

## APPENDIX B – POSTCODES APPLYING TO LOCATION CATEGORIES

Table B1: Postcode location categories

Location category	Postcodes
Metro/Adelaide	5000 – 5202
	5210 – 5214
	5231 – 5236
	5240 – 5252
	5350 – 5352
	5355
	5360 – 5372
	5400
	5800 - 5950
Regional	5203 – 5204
	5237 – 5238
	5253 – 5263
	5271
	5277 – 5291
	5321 – 5346
	5353 – 5354
	5356 – 5357
	5373 – 5374
	5401 – 5416
	5451 – 5453
	5455 – 5464
	5495 – 5573
	5600
	5608 – 5909
	5700 - 5710
Remote	0872
	5220 - 5223
	5264 – 5270
	5272 - 5276
	5301 - 5320
	5381
	5417 - 5440
	5454
	5470 - 5493
	5575 - 5583
	5601 - 5605
	5607
	5630 - 5690
	5720 - 5734





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