

# **APPLICATION FORM FOR NEW ENERGY EFFICIENCY ACTIVITIES UNDER THE RESIDENTIAL ENERGY EFFICIENCY SCHEME**

**June 2010**



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## **INFORMATION FOR APPLICANTS BEFORE FILLING OUT THIS FORM**

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### ***Purpose of this form***

This form is to be completed by persons making application to the Essential Services Commission of South Australia ("the Commission") to add to the approved energy efficiency activities available under the Residential Energy Efficiency Scheme ("REES"). In accordance with clause 7.2.1 of the Residential Energy Efficiency Scheme Code ("REES Code"), a person may make an application to the Commission seeking the Commission's determination that a new energy efficiency activity should be approved.

### ***Prior reading***

It is essential that applicants read the Commission's Residential Energy Efficiency Scheme Code (in particular "Schedule 7 – Ministerial Protocol") before they fill out this form. This Code is available on the Commission's website [www.escosa.sa.gov.au](http://www.escosa.sa.gov.au).

### ***Basis for this form***

The *Electricity (General) Regulations 1997* and *Gas Regulations 1997* ("the Regulations") provide in sections 7AN(3) and 8DK(3) respectively that an application for a proposed new energy efficiency activity must be made to the Commission in a manner and form determined by the Commission. This is the form approved by the Commission.

### ***No representation or warranty***

By accepting an application, the Commission makes no representation or warranty that it will approve a new or varied energy efficiency activity for the purposes of the REES.

### ***Cost of preparing applications***

Applicants are responsible for the cost of preparing and submitting an application and all other costs arising out of the preparation process, including independent testing and the costs of any third parties engaged by the applicant.

### ***Independent testing***

In submitting an application, applicants acknowledge the Commission's rights to engage consultants and contractors to assist it in the assessment process, including the Commission's rights under the Essential Services Commission Act to disclose confidential information to such persons for those purposes.

## ***Public consultation***

Applicants should be aware that the Commission will ordinarily publish an application and associated relevant information in relation to it in either printed or electronic form generally to the public for the purposes of consultation.

The Commission understands the need to keep commercial matters confidential in appropriate circumstances, but reserves the right to disclose some or all of the contents of an application to its contractors and consultants (as set out above) and, where circumstances require, to the public (in accordance with the provisions of the Essential Services Commission Act).

If any elements of an application or associated information are considered to be confidential to the applicant, that information should be clearly identified to the Commission.

## ***Use of this form***

Applicants should list the information requested in the spaces provided in this form, and enclose additional information when required.

### **Activity specification**

Applicants must include information to demonstrate how the specification for the proposed new energy efficiency activity has incorporated each of the specific principles outlined in the Ministerial Protocol. Applicants should provide the Commission with information sufficient to demonstrate how each principle has been considered in relation to the application being made. Applicants should include any additional documentation and/or modelling to support its application.

### **Deemed value (expressed in tCO<sub>2</sub>-e)**

Applicants must include information to demonstrate how the estimation of the greenhouse gas savings for the proposed new energy efficiency activity has given regard to each of the specific principles in the Ministerial Protocol. Applicants must provide the information used to calculate the energy savings from the implementation of the proposed energy efficiency activity. Applicants should include any other documentation and/or modelling to support its application.

## ***Further information***

Applicants should note that the Commission may ask applicants who have submitted a completed application form to provide further information to the Commission, or to clarify the information that they have already provided.

### ***How to lodge an application***

Applicants should send a hard copy of their completed application form to:

Energy Efficiency Activity Application  
Essential Services Commission of SA  
GPO Box 2605  
Adelaide SA 5001

An electronic copy must also be provided to the Commission via email at [rees@escosa.sa.gov.au](mailto:rees@escosa.sa.gov.au).



## REES ACTIVITY APPLICATION FORM

### 1. THE APPLICANT

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#### 1.1 Identity of Applicant

Name: Maurice Amor .....

Company Name (if applicable):

AGL Energy Limited .....

ABN/ACN (if applicable): ABN 74115061375 .....

#### 1.2 Address and Contact Details of Applicant

Business Address:

Level 22, 120 Spencer Street .....

Melbourne .....

State: VIC..... Post Code: 3000 .....

Postal Address (if different to Business Address):

Locked Bag 14120 MCMC .....

Melbourne .....

State: VIC..... Post Code: 8001 .....

Telephone: 03 8633 6254 .....

Facsimile: 03 86336977 .....

Email: mamor@agl.com.au .....

### 1.3 Contact Person on behalf of Applicant

*The full name of a person to whom the Commission can direct enquiries and correspondence about the application. If the contact details of this person are different to the contact details for the applicant provided above, please also list the contact details for this person.*

**Name:** Maurice Amor .....

**Address:** Level 22, 120 Spencer Street .....  
Melbourne.....

**State:** VIC ..... **Post Code:** 3000.....

**Postal Address (if different to above):**

Locked Bag 14120 MCMC.....  
Melbourne.....

**State:** VIC ..... **Post Code:** 8001.....

**Telephone:** 03 8633 6254.....

**Facsimile:** 03 86336977.....

**Email:** mamor@agl.com.au.....



## 2. PROPOSED NEW ENERGY EFFICIENCY ACTIVITY

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### 2.1 Description of the proposed new energy efficiency activity

*Identify the energy efficiency activity and provide a description of the nature of the activity. This is typically a brief statement describing the activity e.g. Lighting – Remove a reflector or non-reflector incandescent lamp and replace it with a compact fluorescent lamp (CFL).*

.....

Provision of an ongoing Energy Efficiency Campaign. The campaign promotes use of behaviourally based tools which motivate, educate and assist customers to undertake behavioural and technology based energy efficiency activities. ....

.....

### 2.2 Specification of the proposed new energy efficiency activity

*Applicants must provide the specification of the proposed new energy efficiency activity. This should include, for example, any requirements for compliance with applicable Australian/New Zealand Standards; wherever appropriate, expressly exclude the potential for the activity to be undertaken as otherwise required by law; have regard to health and safety implications for undertaking the activity; and encourage recycling and best practice. Applicants should include any additional documentation and/or modelling to support its application.*

.....

The main elements of the contiguous, coordinated, campaign run by AGL will be:

- General awareness generating information about the campaign comprising above the line and below the line elements. This will enable customers to self select their participation in the campaign.
- Specific customer targeted communication motivating and driving customers towards tools to be used in the campaign. This also will enable customers to self select their participation in the campaign.
- Signing of customers up to the campaign by logging on to the appropriate web site, getting access to tools, and providing permission for analysis of energy consumption changes and assignment of certificate generation activities.
- Motivation of participants by providing social and behaviourally influenced tools that provide customer specific information on energy performance of the household. This will enable customers to explore and identify their performance compared with similar households.
- Extended motivation by including energy consumption targeting tools to alert participants when they are achieving or deviating from their energy consumption reduction targets.
- Feeding back to participants via their preferred communications channel, their achievements in working towards the energy consumption reduction targets.

- Regular ongoing reinforcement messages to keep participants engaged with the campaign.

## 2.3 Deemed value/s (expressed in tCO<sub>2</sub>-e) for the proposed new energy efficiency activity

Applicants must provide the deemed value/s for tCO<sub>2</sub>-e calculated to be saved through the proposed new energy efficiency activity. If there are a number of different deemed values to be achieved through the proposed new energy efficiency activity, details of each should be provided. Applicants should include any other documentation and/or modelling to support its application.

**Deemed value:** The carbon dioxide equivalents (in tonnes) to be attributed to each activity is:

Campaign participants will have their consumption reduction measured over the first year of participation, with a deeming factor applied to future years consumption reduction. According to this measured reduction, participants will be assigned to the below activity levels:

Activity	tCO <sub>2</sub> -e
Low efficiency gains	0.2
Moderate efficiency gains	0.5
High efficiency gains	1
Exceptional efficiency gains	2

## Specific principles for calculating deeming values

### 2.3.1 Base case

Applicants must provide evidence of current typical energy use where an inefficient product is required or where no efficient product is installed, using recognised benchmarks where available.

The campaign will measure actual change in consumption for participants by identifying for each participant a base case consumption level and improvements above the base case. This improvement will then be normalised against other like consumers in the area (to remove weather and general efficiency trends). The resultant consumption change will have a deeming value to account for continuation of the improvement over the following years. Participants will then be assigned to one of the activity levels in section 2.3.



.....  
Participants will be identified as customers who have been exposed to the campaign, have opted in to participating, and participation is evidenced by :

- Having logged in to AGL IQ to securely access their consumption information and other campaign related tools
- Having set a target energy consumption/cost
- Having returned to the site at least twice throughout the year.....

.....  
Base case consumption will be the metered energy use of the participant for one year prior to entering into the campaign. This information will be taken from actual metered consumption used for energy billing purposes. ....

### **2.3.2 Improvement on the base case**

*Applicants must provide evidence of what, typically, would be the difference in energy use by installing or using an efficient product.*

.....  
Improvement on the base case consumption will be identified by using metered energy consumption of the participant for one year post entering into the campaign. This information will be taken from actual metered consumption used for energy billing purposes. ....  
.....

### **2.3.3 Lifetime**

*Applicants must provide evidence of the typical period of time the activity can realistically be expected to result in energy savings which are additional. To account for future uncertainties a maximum lifetime of 20 years should apply, although a longer lifetime may apply if substantiated through appropriate research findings.*

.....  
AGL will maintain the tools, and access to the tools, associated with the campaign for at least 3 years.....  
.....

### **2.3.4 Adjustment factors**

*Applicants must provide evidence of any relevant adjustment factors: Energy savings may need to be adjusted where is it necessary to adjust for, for example, the extent to which the energy savings will be taken as improved thermal comfort, likelihood of performance changes over time; changing business as usual, or planned future regulation.*

Consumption changes will be normalised against the change in consumption of non-participants in the same area, over the same timer period, to account for weather and general efficiency improvements in the local area that are exogenous to the campaign. ....

Measuring of improved consumption over a period of a year will embody any short term rebound effects. Longer term rebound effects are incorporated in the proposed annual deeming reduction factors. ....

It is expected that reductions in consumption will continue for a number of years:

- Technology changes will last for the life of the technology installed. While AGL will not generally be responsible for undertaking the changeover of appliances that have been motivated by the campaign, we will not claim certificates for a campaign participant should the technology installation be the subject of a REES certificate generating activity. Any other activity is assumed to have a half life of 1.5 years.
- Behavioural changes will last for a period of time, albeit with some expectation of improvements dropping off if there is a reduction in engagement with the campaign and associated tools. As tools and associated engagement engendering activities are being supported for at least 3 years, it is expected that such improvements will continue over that time. A survey of studies on changes to behaviour over time has indicated that there is unlikely to be a significant drop-off in improvements (Accenture Department of Primary Industries IHD Inclusion into ESI scheme Final Report December 2011 ).....

Combining the above, it is proposed that the first year actual measured and normalised improvement be considered to be the improved base case, and that the second year be deemed to be 70% of the improved base case year, and the third year be 40% of the improved base case year, and fourth and subsequent years be 0% of the improved base case year. ....

Participants in the campaign who are identified in the analysis to have metering characteristics that do not allow for reliable adjustment, such as those with gross solar PV metering, will be excluded from submission for certificates.....

### 2.3.5 Climate zones

*Applicants must provide evidence as to whether there is a material difference between the savings achieved when the activity is implemented in different South Australian climate zones.* .....



As the measured consumption reduction for participants is to be normalised against consumption of residences in the same locality, the normalisation will account for local climate zones, .....

### 2.3.6 Greenhouse gas coefficients

*Applicants must provide evidence of greenhouse gas co-efficients, both current and projected over the life of the activity - these are as published by the Commonwealth Department of Climate Change.*

Greenhouse gas coefficients will be as published by the Commonwealth Department of Climate Change. ....

## 2.4 Application of activity

*In considering applications for new energy efficiency activities, the Commission's general guiding principle is that all energy efficiency activities will have general application. If the applicant is seeking limited application for the proposed new energy efficiency activity, the applicant must provide details of the nature of the limitation sought including the period of time for which limited application is sought.*

The activity will not be limited other than by the various limitations described above. These are broadly:

- Must be an AGL customer with >1 year of energy consumption history
- Must not have taken up another REES certificate generating activity during the year following the base case

### 3. GENERAL PRINCIPLES FOR ASSESSMENT OF NEW ENERGY EFFICIENCY ACTIVITIES

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*In considering the application for new energy efficiency activities, the Commission will have regard to how the proposal addresses each of the following key principles as set out in the Ministerial Protocol. Applicants must provide the Commission with information sufficient to demonstrate how each principle has been considered in relation to the application being made. Applicants should include any additional documentation required to support its application.*

#### 3.1 Additionality

*Applicants must provide evidence that the proposed energy efficiency activity will encourage energy savings which are additional to that which would otherwise be achieved under current and planned regulatory requirements; and/or which is otherwise occurring through business as usual or consumer behaviour. This includes consideration of what barriers or market failures prevent further uptake of the activity.*

.....

AGL has various tools and services which are aimed at informing about energy efficiency, which are provided free to all consumers via the AGL website. The generally passive nature of this information provision limits consumer engagement, and thus will not be the most effective means of driving significant behavioural change. With the provision of customer specific information and a campaign with behaviourally engaging aspects, the level of participation is expected to increase and associated efficiency improvements will be made. ....

.....

The functionality that will be highlighted in the campaign already exists on the AGL IQ website, and is relatively lightly used. Investing in a campaign engaging with customers and highlighting the tools and expected benefits will be additional to the existing functionality. The definition of participants will also be defined as those customers who were not active users of the infrastructure prior to running the campaign. ....

.....

#### 3.2 Verifiability

*Applicants must provide evidence that the potential energy and greenhouse savings from the proposed energy efficiency activity have been robustly determined and are verifiable, based on sound research applicable to the South Australia climate zone/s.*

.....

Energy and associated greenhouse gas savings for the first year will be verified using actual energy consumption metered at the participating premises, as will the consumption for the first year of participation. ....



Exclusion of participants who have undertaken other REES activities will be removed firstly based on AGL's list of sites where REES certificate generating activities are carried out, and then secondly via submission and washing against the ESCOSA database of REES certificate generating activities.

A normalisation report will be produced for new participants at the end of each year of the campaign. This report will confirm that weather and background normalisation has been applied. Only sites where greater than 90% confidence of the normalisation methodology is achieved, will be submitted.

### **3.3 Consistency of the saving**

*Applicants must provide evidence that there is a high level of confidence that the estimated savings could be achieved in the majority of circumstances. For example, the activity does not predominantly rely on variable human behaviour or accurate use by the household; hardware is likely to remain in place rather than be uninstalled by the household; or implementation is the subject of defined standards which underpin quality assurance and consistency of performance.*

With the methodology proposed, over 47% of the savings are from year one of the campaign and are thus evidence based. The remaining 53% are deemed based on the first year performance and expectations of performance drop off over the following years. The persistence of savings for this exact campaign is unknown, however, studies of similar types of activities as evidenced by campaigns around In Home Display based information provision has suggested that there is little evidence for this drop-off, and that 5 years of persistent application of savings is not unrealistic. This is the value used in Victoria for inclusion of IHDs into the VEET scheme (see Department of Primary Industries IHD Inclusion into ESI scheme Final Report December 2011, updated 23 January 2012).

### **3.4 Penetration potential**

*Applicants must provide evidence that the proposed energy efficiency activity will be technically capable of broad implementation and uptake by households within South Australia, within the Priority Group and/or non-Priority Group.*

This level of participation will be driven directly by success of the initial phases of the campaign, with potential for modification of the campaign to learn from initial implementation. This level of uptake is consistent with other energy efficiency campaigns which did not require significant financial contribution from participants.

Typically AGL has experienced higher penetration of these types of campaign with Priority group households, and thus estimates just over 40% of participants will be Priority Group. This type of campaign and methodology has the potential to reach a much wider group of customers, and therefore provides a more equitable approach to certificate creation, as opposed to expensive installations of equipment that only a relatively small percentage of the population in SA undertake on a regular basis or have the discretionary income to afford.

### **3.5 Accessibility and practicality**

*Applicants must provide evidence that the proposed energy efficiency activity will be accessible in the market and able to be practically and relatively easily implemented in the residential sector.*

The base infrastructure and tools used in the campaign have been built, tested and soft launched in the Vic, SA, NSW and Qld markets. It is expected that these tools will be available and operating 24 hours per day, seven days per week with over 98% availability expected. 2% down time is expected to be scheduled maintenance carried out at low usage times.

Running of campaigns as proposed for this activity is consistent with campaigns run regularly by AGL.

### **3.6 Cost effectiveness**

*Applicants must provide evidence that the benefits from the implementation of the proposed energy efficiency activity will be capable of cost effectively contributing to achievement of greenhouse gas reduction targets for South Australia (cost per tonne saved). Costs includes consideration of hardware and installation costs; program or administration costs in delivering the activity to households; the type and level of incentive likely to be required to encourage uptake; and access to government or other rebates to reduce costs. Savings include direct financial savings from reduced energy use and associated financial savings, such as water savings from water efficient showerheads.*

This activity is cost effective for consumers, as they will not be asked for any additional contribution to participate in the campaign. Any behavioural or investment decisions will be made by the householder on a case by case basis, and should be informed by the campaign and tools provided. The infrastructure has already been created, and is accessible by AGL Residential and SME customers in all states. ....



### 3.7 Other schemes

*Applicants must provide evidence that the proposed energy efficiency activity has given due regard to activities and specifications eligible in similar schemes in other state jurisdictions, to promote consistency wherever possible.*

AGL is looking to put in applications for similar Campaign based concepts in Victoria and NSW, albeit modified to the unique nature of each scheme in each state.

Christopher Lee  
Company Director  
Level 22, 120 Spencer St, Melbourne VIC 3000  
An Australian Energy Foundation  
within the meaning of the Energy  
Foundation Act 2008

## 4. DECLARATION

All information in the Application for a new energy efficiency activity under the REES must be verified by a Statutory Declaration of the applicant (in the form set out below), in accordance with the provisions of the Oaths Act 1936 (South Australia), that the information contained in the application is true and correct to the best of the applicant's knowledge, information and belief.

Where the applicant is a body corporate, evidence of the relevant authority of the declarant to sign on behalf of the body corporate must also be provided to the Commission.

### Statutory Declaration

I Maurice Amor.....

of...84 Curzon Street, North Melbourne.....

do solemnly and sincerely declare that the information contained in this Application for a new energy efficiency activity under the REES is true and correct to the best of my knowledge information and belief.

And I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the *Oaths Act 1936*.

Date ...30 April 2013.....

Signature 

(Where the applicant is a body corporate, the declaration must be made by a person authorised by body corporate to sign on its behalf)

Declared at: Melbourne.....this ...30th day of April....2013..

Before me: 

(Signature of Justice of the Peace or other authorised person)

**Christopher Jon REYNOLDS**  
Corporate Lawyer  
Level 22, 120 Spencer St, Melbourne VIC 3000  
An Australian Legal Practitioner  
within the meaning of the Legal  
Profession Act 2004