



REES



# Issues paper

## Review of the Retailer Energy Efficiency Scheme Code

May 2017

## Request for submissions

The Essential Services Commission (**Commission**) invites written submissions from members of the community on this paper. Written comments should be provided by **Friday, 9 June 2017**.

It is the Commission's policy to make all submissions publicly available via its website ([www.escosa.sa.gov.au](http://www.escosa.sa.gov.au)), except where a submission either wholly or partly contains confidential or commercially sensitive information provided on a confidential basis and appropriate prior notice has been given.

The Commission may also exercise its discretion not to publish any submission based on length or content (for example containing material that is defamatory, offensive or in breach of any law).

Responses to this paper should be directed to: **Review of the Retailer Energy Efficiency Scheme Code**

It is preferred that submissions are sent electronically to: [rees@escosa.sa.gov.au](mailto:rees@escosa.sa.gov.au)

Alternatively, submissions can be sent to:

Essential Services Commission  
GPO Box 2605  
ADELAIDE SA 5001

Telephone: (08) 8463 4444  
Freecall: 1800 633 592 (SA and mobiles only)  
E-mail: [escosa@escosa.sa.gov.au](mailto:escosa@escosa.sa.gov.au)  
Website: [www.escosa.sa.gov.au](http://www.escosa.sa.gov.au)

**Contact Officer: Chantelle Hobart, Regulatory Officer**

## Overview

- ▶ The Essential Services Commission (**Commission**) is conducting a review of its Retailer Energy Efficiency Scheme (**REES**) Code to identify improvements to support the Commission's administration role and compliance framework, and ensure any amendments made to the Scheme by the Minister for Mineral Resources and Energy (**Minister**) are reflected in the Code.
- ▶ The purpose of this Issues Paper is to gather information from energy retailers, related stakeholders, and other interested parties to inform our review of the REES Code.
- ▶ Submissions and responses addressing the matters raised in this Issues Paper, or any other matters relevant to the review, are due by **Friday, 9 June 2017**.

## Background

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, energy 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.

Under REES, the Minister sets the overall policy framework and fixes annual energy efficiency and energy audit targets. The Commission administers the Scheme within the parameters defined by the Government's policy framework and in accordance with Part 4 of the Electricity (General) Regulations 2012, the Gas Regulations 2012 and the provisions of the Essential Services Commission Act 2002.

The REES Code establishes requirements in relation to the conduct and operations of energy retailers in satisfaction of their REES obligations.

The Commission publishes guidance documentation to support the REES Code and provide further clarification on Ministerial requirements.

- ▶ The REES Guideline sets out the reporting requirements for the data that energy retailers report to the Commission, to enable it to apportion REES targets.
- ▶ REES Bulletins provide interpretation and practical advice on specific REES issues.

The REES Guideline and REES Bulletins are not within the scope of this review.

Further information:

- ▶ <http://www.escosa.sa.gov.au/industry/rees/codeandguidelines>

## Purpose of this review

The purpose of this review is to identify improvements to the REES Code to support the Commission's role as Scheme administrator, and ensure any amendments made to REES by the Minister, to apply from 1 January 2018, are reflected in the REES Code.

The REES Code was last reviewed by the Commission in 2014. That review was conducted in conjunction with the Department of State Development's (**Department**) review of Scheme requirements to apply from 2015.

The Department is currently undertaking a review of the REES activity minimum specifications and Ministerial annual targets to apply from 1 January 2018.

Further information:

- ▶ <http://dpc.sa.gov.au/what-we-do/services-for-business-and-the-community/energy-efficiency/retailer-energy-efficiency-scheme/2017-review-of-the-retailer-energy-efficiency-scheme>

To align with the Department's proposed changes to the activity minimum specifications, the Commission is reviewing the REES Code, with any changes to apply from 1 January 2018. The REES Code review aims to identify improvements in the Commission's administration of REES.

## Request for submissions

The Commission invites submissions to this Issues Paper. Specifically, the Commission seeks comment on the following questions:

- ▶ Are there any suggested improvements to the consumer protection requirements outlined in the Code?
- ▶ What improvements could be made to the annual compliance plan process?
- ▶ Is there a need to expand or further refine the training requirements for REES installers (general or activity specific)? And how could these requirements be improved?
- ▶ Should training requirements for mandatory safety training be further specified?
- ▶ How should the REES Code address REES installations where a sub-contractor is engaged?
  - Should training requirements for sub-contractors be further defined in the Code?
  - What improvements could be made to ensure that the Scheme information provided to customers is adequate?

- ▶ Is it beneficial to require obliged retailers to ensure its contractors and/or agents hold a nominated level of liability insurance? What requirement(s) could be applied?
- ▶ Are the quarterly assessments of achievement provided to obliged retailers beneficial, or does the REES Retailer Reporting System (**REES-R**) provide sufficient information for obliged retailers to monitor their achievement?
- ▶ Does the current REES Code present any issues or challenges to obliged retailers in complying with their obligations?
- ▶ Are there any other matters, or emerging REES related issues, that the Commission should consider or take into account?

## Timetable for this review

The Commission will release its Draft Decision for public consultation in July 2017.

Stage	Timing
Issues Paper released	12 May 2017
<b>Submissions due</b>	<b>9 June 2017</b>
Draft decision release	July 2017
Submissions due	1 September 2017
Final Decision release	October 2017

## Further information

Any queries relating to this consultation should be directed to:

- ▶ Chantelle Hobart, Regulatory Officer

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