



Retailer Energy Efficiency Scheme

2017 Annual Report – Overview

July 2018

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Overview

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.

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 ninth REES Annual Report evaluates scheme outcomes for the 2017 REES year.

REES 2017 outcomes

The key operational outcomes for REES in 2017 were:

- ▶ The overall annual REES targets were achieved (Table 1) and all obliged retailers met their individual targets (Table 2).
- ▶ A total of 2,242 energy audits were delivered and obliged retailers applied an additional 5,195 energy audit credits (earned in prior years) to exceed the target by 31 percent.
- ▶ Energy savings of 2,549,093 gigajoules (**GJ**) were delivered, which was 38 percent higher than that delivered in 2016. When prior year credits are included, the Energy Efficiency Target was exceeded by 46 percent. Many obliged retailers have significant credit balances to carry over towards 2018 targets.
- ▶ REES activities resulted in energy savings of 2,549,093 GJ, equivalent to powering 142,749 residential households consuming 5 megawatt hours (**MWh**) per year (1 MWh energy consumption is equivalent to 3.6 GJ).
- ▶ The proportion of activities conducted in regional and remote areas increased to 14.8 percent in 2017, compared to 9.6 percent in 2016.
- ▶ Of the total energy savings delivered, 9.2 percent were delivered to priority group households. When prior year credits are included, the 2017 Priority Group Energy Efficiency Target was exceeded by 29 percent.
- ▶ Seventy seven percent of energy savings were from commercial activities; 76 percent from commercial lighting and 1.4 percent from commercial showerheads. In 2017, 4,174 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 14 percent, but still account for 88 percent of activities delivered.
- ▶ There was a 24 percent decrease in the number of premises receiving a REES activity or energy audit compared to 2016. This reflects that 15 percent fewer activities and audits were delivered in 2017 compared to 2016.


























Table 1: 2017 REES targets and achievements

| | 2017 target | Accepted reports | Credits applied ⁽²⁾ | Total 2017 achievement |
|--|------------------------|------------------|--------------------------------|------------------------|
| Energy audits (number of audits) | 5,667 | 2,242 | 5,195 | 7,437 |
| Energy efficiency (GJ) ¹ | 2,300,000 | 2,549,093 | 799,019 | 3,348,112 |
| Priority group energy efficiency (GJ) ² | 442,308 ⁽¹⁾ | 234,571 | 335,102 | 569,673 |

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 2017 target.

Table 2: 2017 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 Energy efficiency activities are deemed and receive the full lifetime saving in the year the activity is delivered.

² 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.



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