



Retailer Energy Productivity Scheme (REPS)

Code Review 2021

Draft Decision

October 2021

Executive Summary

Demand Manager welcomes the opportunity to reply to the Retailer Energy Productivity Scheme (REPS) Code Review 2021, Draft Decision, October 2021.

We have put an alternative solution that by increasing competition between activity providers, this will produce better customer outcomes and resolve a lot of the issues raised in the retailer energy productivity scheme, draft decision paper. We believe it isn't necessary to push the problem of poor customer service and outcomes onto the electrical retailers at additional costs to the scheme when the solution is to increase activity provider competition, focus on identification and information statements on first meetings with customers from activity providers which will in turn raise customer service levels and customer outcomes.

By doing this we believe a lot of the negative issues which have been raised in the draft decision paper will be rectified and will increase the integrity of the scheme

We look forward to improved competition, integrity and a focus on what is best for the customer.

Demand Manager Overview

Demand Manager is a clean energy financial services and consultancy firm with extensive experience, ranging over a 15 year period, in the creation of abatement, environmental certificates (ESCs, RECs, STCs, VEECs, LGCs, G.J.'s etc.), and the facilitation of access to government funding programs aimed at energy and water savings. To date, Demand Manager has secured in excess of \$150 million in funding for our customers through the delivery of thousands of projects.

Demand Manager is an Accredited Certificate Provider and operates in NSW, Victoria and S.A., with multiple accreditations. We are one of the largest creators of ESCs for commercial lighting under this Scheme in N.S.W. with well over 5 million certificates created across multiple state and federal programs. Demand Manager is also an Accredited Party under the Victorian Energy Upgrade Scheme (VEU), under which we have created over 350,000 VEECs. In addition, Demand Manager has created well over 2 million RECs/STCs/LGCs under the Renewable Energy Target.

Demand Manager is the owner and developer of its own on-site software product called LightWork. This has now grown to a variety of different versions depending on energy efficiency scheme activities across Australia. We are able to streamline our approach with certificate creation to mitigate against compliance issues and to create better outcomes for all our customers. As our internal software developer numbers have grown and we have developed this product across multiple state certificate schemes, it allows us the flexibility to add new energy saving activities where and when they are required. This not only puts a sharp focus on our current evidence, compliance and auditing outcomes for all our stakeholders now but allows us to continue with our new REPS specific offerings into the future. This will revolve around both commercial and residential offerings as S.A. is leading the pack with introducing a multitude of new and relevant scheme activities.

Demand Manager is one of the Activity Providers which has been working in the South Australian Schemes, REES and now REPS for over 5 years with a S.A. local office with numerous Electrical Retailers. Due to our knowledge, flexibility and quick response we have become a reliable partner to the electrical retailers, contractors and end customers we have engaged with.

Demand Manager's professional staff have extensive experience with the necessary commercial, legal and administrative tasks involved in carbon abatement calculations, record keeping, reporting, audits and quality assurance. Demand Manager has transitioned to offer many new activities in the REPS, both in residential and commercial, as we continue to stay competitive and relevant.

Consultation question 1:

Do stakeholders support amending the existing requirement to provide an information statement to include the requirement to provide the name of the obliged retailer on whose behalf the activity is undertaken prior to commencement of the REPS activity (ref clause 6.1.2(b) of the draft REPS Code at Appendix 2)

Demand Manager has never had any issues with customers or ESCOSA about customer complaints since we have operated in the REES and now REPS.

Firstly, I wouldn't be forcing additional costs and oversight on the electrical retailers and hence the end electricity paying customer in S.A. when we have adequate rules and codes in place. It seems that the Activity Providers, subcontractors and ESCOSA are not implementing and enforcing what is already in place correctly.

If the Activity Providers or their sub contractors are undertaking work with no existing arrangements with an obligated retailer this will not change with what is suggested in the draft. These people will continue to do so.

As a regulator, I would off thought that a phone call or email with a complaint would be "gold" to find out what is actually happening on the front line. Other regulators interstate encourage this as they want to hear from end customers to weed out poor customer service and fraudulent behaviour. Perhaps these complaints/issues been increasing year on year on year and now it has become a major burden for ESCOSA?

The solution, I believe is what is occurring within the scheme.

As previously mentioned in the last consultation paper by ESCOSA in June 2021, question 2 about "barriers of entry" into the scheme for activity providers.

Three activity providers have 80% market share in 2020 and I believe that the three activity providers will have 85% market share in 2021, in a Government run scheme. When you have that type of unhealthy non-competition as the scheme numbers (G.J.'s) increase dramatically what you do get is adverse customer outcomes. As the G.J. target increase you get a "churn" approach to try to keep up with these high targets due to few competitors or a closed shop. This creates the issues that have been explained in the draft decision paper. Poor customer outcomes, customers not knowing where contractors are from, delivering non compliant REPS activities and now the commission believes the answer is to push the problem onto the Electrical Retailers, increase the overall cost of the scheme and if required, involve the Energy and Water Ombudsman.

This could be a possible solution?

Another solution is to increase competition for the third party activity providers which will increase the standard of third party activity providers. Why do 3 activity providers have 80% market share in a government run scheme in S.A.? Focus on the enforcement of an information statement along with ID Badges for all activity providers, stating the activity provider name on the statement when they enter a site for activities under REPS. Let there be 5 - 6 or even 7 companies providing 80% of the activities to increase the integrity of the scheme in S.A. Pulling down the walls of "barriers of entry" increases competition, creates a higher level of customer service, increases standards, increases innovation, increases high quality activity options in the

scheme and allows the end user choice which is not available now. We believe this is another option to resolve the issue that you have identified without increasing costs. We also would suggest that it be implemented next year to resolve the issues for the end customers and increase the integrity of the Retailer Energy Productivity Scheme.

Consultation question 2:

Do stakeholders support the introduction of minimum standards which must be applied by obliged retailers when conducting fit and proper person assessments (refer clause 6.6.2 of the draft REPS Code at Appendix 2)? Please provide evidence in support of or a preferred alternative to, that proposal.

Demand Manager has checks in place for 'fit and proper' persons which already incorporate the proposed amended minimum standards mentioned by ESCOSA. We have no objections with these or amended training requirements.

Consultation question 3:

Do stakeholders support the clarification of record keeping requirements, such that obliged retailers must retain actual possession of all activity records for a period of five years following the completion of the activity (refer clause 4.3 of the draft REPS Code at Appendix 2) Please provide evidence in support of, or a preferred alternative to, that proposal.

Demand Manager has no comment to Question 3

Consultation question 4:

Do stakeholders support the proposal to require the provision of information to customers at the commencement of the REPS activity (rather than at the time it is performed)?

Demand Manager has no objections to what is being proposed.

Consultation question 5:

Do stakeholders support the proposal that:

The existence and amount of any co-payment must clearly be communicated to the customer at the time of booking a REPS activity, and

The existence and amount of any co-payment must be clearly set out on the information statement?

Please provide evidence in support of, or a preferred alternative to, that proposal.

Demand Manager would have thought this was already taking place in the REPS by stakeholders?

Has there been complaints in the market?

If ESCOSA feels it necessary to clearly set it out on the information statement we have no objections.

Consultation question 6:

Do stakeholders support the administrative amendments proposed to the Code?

Please provide evidence in support of, or a preferred alternative to, that proposal.

Demand Manager has no comment to Question 6

Regards,

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