

RETAILER ENERGY EFFICIENCY SCHEME CODE

Final Decision

December 2014



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The Essential Services Commission of South Australia is the independent economic regulator of the water, sewerage, electricity, gas, ports and rail industries in South Australia. The Commission's primary objective is the *protection of the long-term interests of South Australian consumers with respect to the price, quality and reliability of essential services*. For more information, please visit www.escosa.sa.gov.au.

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GLOSSARY OF TERMS

COMMISSION	Essential Services Commission, established under the Essential Services Commission Act 2002
DEEMED ENERGY SAVINGS VALUES	Energy savings (in gigajoules) to be attributed to a specific approved energy efficiency activity
DEEMED GREENHOUSE GAS SAVINGS VALUE	Carbon dioxide equivalent savings (in tonnes) to be attributed to a specific approved energy efficiency activity
DEPARTMENT	Department of State Development (formerly the Department of Manufacturing, Innovation, Trade, Resources and Energy (DMITRE))
ELECTRICITY ACT	Electricity Act 1996
ELECTRICITY REGULATIONS	Electricity (General) Regulations 2012
ESC ACT	Essential Services Commission Act 2002
GAS ACT	Gas Act 1997
GAS REGULATIONS	Gas Regulations 2012
GJ	Gigajoules
MINISTER	The Minister for Mineral Resources and Energy, responsible for the administration of the Electricity Act 1996 and/or the Gas Act 1997
MINISTERIAL PROTOCOL	Retailer Energy Efficiency Scheme (REES) Protocol, set by the Minister for Mineral Resources and Energy
MWH	Megawatt hours
NERL RETAILERS	The holder of a retailer authorisation under the National Energy Retail Law or an exempt seller within the meaning of the National Energy Retail Law
REES	Retailer Energy Efficiency Scheme
REES CODE	Refer http://www.escosa.sa.gov.au/residential-energy-efficiency-scheme-rees/rees-regulatory-documents.aspx
REES OBLIGED RETAILERS	Refer http://www.escosa.sa.gov.au/residential-energy-efficiency-scheme-rees/rees-obliged-retailers.aspx
REES-R	REES Retailer File Validation System
REGULATIONS	Part 4 of the Electricity (General) Regulations 2012 and Part 4 of the Gas Regulations 2012
SCHEME	Refer to REES
T CO ₂ -E	Tonnes of carbon dioxide equivalent

1. INTRODUCTION

The Essential Services Commission of South Australia (**Commission**) is established under the Essential Services Commission Act 2002 (**ESC Act**), as an independent economic regulator of essential services in South Australia. The primary objective of the Commission is the protection of the long-term interests of South Australian consumers with respect to the price, quality and reliability of essential services.

One of the Commission's functions within both the electricity and gas industries is to administer the Retailer Energy Efficiency Scheme (**REES**). That scheme was established by the South Australian Government and commenced on 1 January 2009.

REES is given statutory effect through Parts 4 of the Electricity (General) Regulations 2012 and Gas Regulations 2012 (the **Regulations**). These establish the Commission as the administrator of REES and provide that REES will run until 31 December 2020.

The Minister for Mineral Resources and Energy (the **Minister**) is responsible for setting the REES obligation thresholds and targets to apply to REES for the years 2015 to 2017. The Commission is responsible for determining which energy retailers are REES obliged retailers, and for apportioning the Minister's targets to those retailers.

The Minister is responsible for setting the energy efficiency activities and specifications that retailers may undertake for the purpose of meeting individual REES targets. There are new activities available to retailers from 2015, including activities that can be undertaken in commercial premises.¹

To reflect changes to REES thresholds, metrics and activity specifications from 1 January 2015, the Commission has reviewed and amended the Retailer Energy Efficiency Scheme Code (**REES Code**). The Commission has also taken the opportunity to make other changes to improve the administration of REES.

1.1 Background

The REES Code commenced in January 2009 as an industry code and is binding on energy retailers operating in South Australia.²

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

- ▲ the allocation and notification of, and obligation to achieve, energy audit targets, energy savings targets and priority group energy savings targets

¹ In line with the Minister's announcement on 28 November 2013 that the Government would expand the scheme to include small businesses.

² Pursuant to the powers of the Commission under section 28 of the ESC Act. National Energy Retail Law retailers (NERL retailers) are required to comply with the REES Code pursuant to section 63AB(1)(a) of the Electricity Act 1996 (Electricity Act) and section 59A(1)(a) of the Gas Act 1997 (Gas Act).

- ▲ record-keeping and reporting obligations (including data integrity assurance mechanisms) in relation to energy audit targets, energy savings targets and priority group energy savings targets
- ▲ compliance and audit obligations (including provisions for Annual Compliance Plans) in relation to energy audit targets, energy savings targets and priority group energy savings targets.

Although the framework for REES from 1 January 2015 was still to be finalised, the Commission released the REES Code Proposed Amendments 2014 – Draft Decision³ on 2 October 2014 for public consultation to provide some transitional certainty and to allow retailers and stakeholders to comment on the proposed amendments. That framework has now been finalised, and is reflected in this Final Decision.

The Commission did not receive any written submissions on the Draft Decision. However, it has had stakeholder discussions on the proposed amendments to the REES Code. Having reflected the changes required as a result of the Minister finalising the scheme's targets and thresholds, and with the benefit of further research and consideration, the Commission has now reached its Final Decision as set out in this document.

³ Essential Services Commission of South Australia, *Residential Energy Efficiency Scheme Code – Proposed Amendment*, Draft Decision, October 2014, viewed 10 November 2014, available at <http://www.escosa.sa.gov.au/library/20141002-REESCodeProposedAmendments2014-DraftDecision.pdf>

2. REES CODE AMENDMENTS

This section sets out the Final Decision on those matters which are to be amended in the REES Code.

2.1 *Renaming of Scheme and metric change*

From 2015, REES will be renamed the Retailer Energy Efficiency Scheme and expanded to allow retailers to meet their targets by delivering energy savings to small businesses as well as homes. The Scheme targets have also been changed from a greenhouse gas metric (tonnes of carbon dioxide equivalent (tCO₂-e)) to an energy metric (expressed in gigajoules (GJ)). The scheme name and metric change will be reflected in the REES Code.

Final Decision 1:

The REES Code will be amended in the following manner:

- ▲ All references to the Residential Energy Efficiency Scheme throughout the Code have been updated to the Retailer Energy Efficiency Scheme. Likewise, with the change of metric to energy savings, all references to Greenhouse Gas Reductions and the associated targets have been updated to energy reduction or energy saving.

2.2 *Functions and powers*

Part 4 of the Regulations (effective until 31 December 2014) assigned to the Commission the function of maintaining, reviewing and amending the energy efficiency activities that can be undertaken in REES.

The amended Regulations provide that the Minister will assume the role of setting, reviewing and gazetting REES activity specifications from 1 January 2015. The Department of State Development undertook a full review of REES activities⁴ to set the activities for REES to apply from 1 January 2015.

The Minister is responsible for publishing the REES Ministerial Protocol and gazetting the Energy Audit Minimum Specification. The REES Ministerial Protocol sets out the principles to be used in maintaining and reviewing the list of calculation methods, eligible activities and their specifications. The Minister will continue to have responsibility for maintaining and reviewing the Energy Audit Minimum Specification.

The Commission will provide clear links on its website to the REES activity specifications, the REES Ministerial Protocol and the Minister's Energy Audit Minimum Specification.

⁴ Department of State Development, South Australian Energy Efficiency Scheme, Consultation Paper on Proposed REES Thresholds, Metrics & Activity Specifications, 2014, viewed 15 September 2014, available at http://www.sa.gov.au/data/assets/pdf_file/0019/114319/REES-Consultation-Paper-2014-A542706.pdf.

Final Decision 2:

The following sections from the REES Code will be removed to reflect the change in roles for the new phase of REES:

- ▲ parts of clause 1.4 - Powers and functions of the Commission
- ▲ section 7 - Determination of energy efficiency activities
- ▲ the Energy Efficiency Activities Minimum Specification Schedule
- ▲ the Minister's Energy Audit Minimum Specification Schedule
- ▲ the REES Ministerial Protocol Schedule.

2.3 Determination of obliged retailers

The Regulations (effective until 31 December 2014) set out the method by which the Commission determines which retailers have REES obligations in any year. A retailer is currently a REES obliged retailer if it had more than 5,000 residential electricity customers or more than 5,000 residential gas customers as at 30 June in the preceding year. Each REES obliged retailer is set a REES greenhouse gas reduction target, a REES priority group greenhouse gas reduction target and a REES energy audit target.

The Minister sets the overall annual greenhouse gas reduction target to be achieved, the proportion (currently 35%) of greenhouse gas reduction activities required to be undertaken in low-income households and the overall number of energy audits to be undertaken by retailers. The Commission apportions the greenhouse gas reduction target with reference to electricity and gas sales, and apportions the energy audit target with reference to residential electricity or gas customers (according to formulae set out in the Regulations).

Discussion

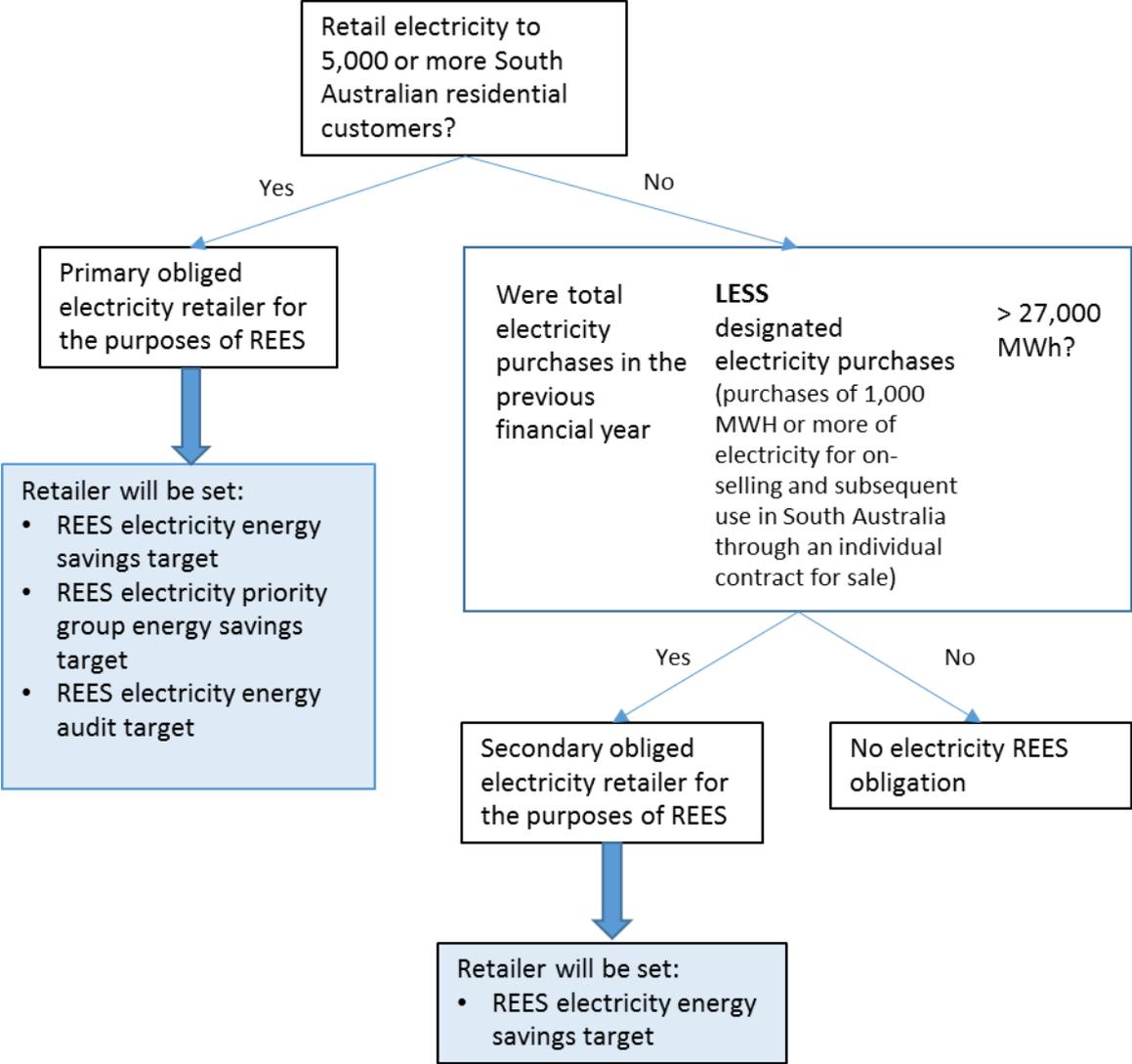
The Minister has set the REES thresholds to apply from 1 January 2015. The threshold changes are likely to increase the number of retailers with a REES obligation from 1 January 2015.

The Commission will require retailers to provide statistical information on the number of South Australian residential customers they have and their total designated electricity and gas purchases in the preceding financial year. The Commission has issued a Guideline on the statistical information requirements for the purposes of determining a retailer's obligations under REES.

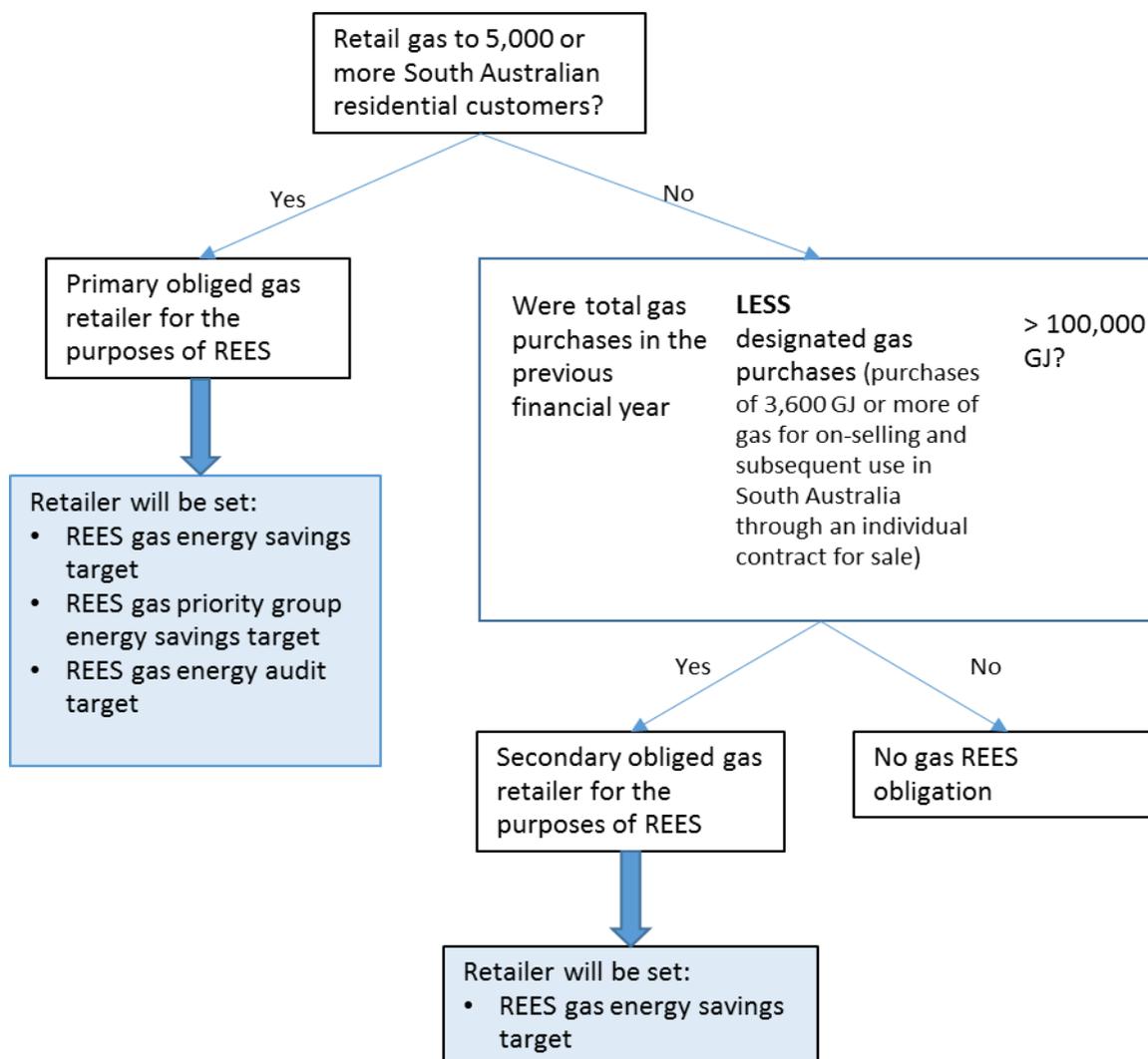
The Minister has also set the methodology to be used by the Commission to apportion REES annual targets to obliged retailers, detailed in Annexure A.

The charts below detail how the Commission will determine whether a retailer has an electricity or gas REES obligation for any REES year.

Determining electricity REES obligation



Determining gas REES obligation



Final Decision 3:

The REES Code will be amended in the following manner:

- ▲ to refer to retailers that meet the 5,000 residential customers threshold as **primary obliged retailers**: primary obliged retailers will be set a REES energy savings target, a REES priority group energy savings target and a REES energy audit target.
- ▲ to refer to retailers that don't meet the primary threshold but meet the electricity and/or gas purchases threshold (27,000 MWh or 100,000 GJ) as **secondary obliged retailers**: secondary obliged retailers will only be set a REES energy savings target.
- ▲ Schedule 4 (Statistical information) has been removed from the Code and included in a Guideline that sets the information retailers must provide to the Commission for the purposes of determining REES obligations.

2.4 Reporting requirements

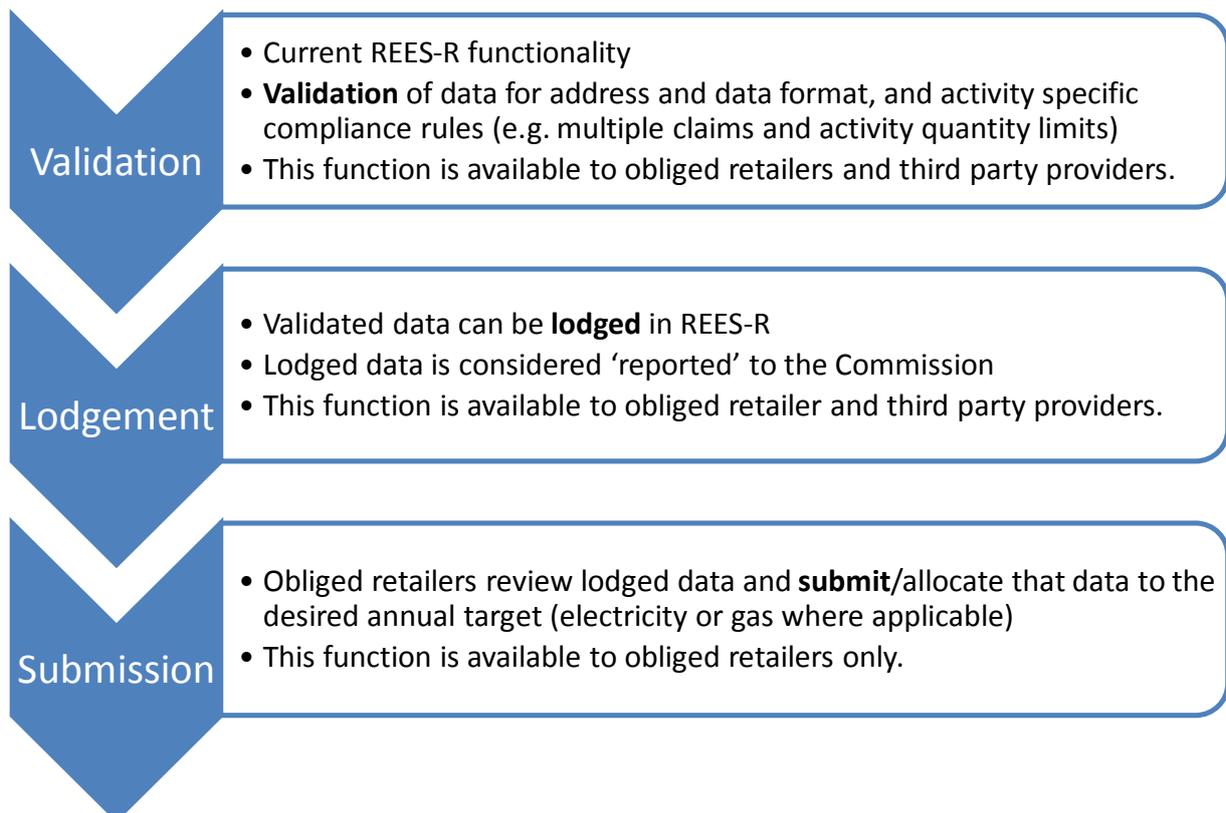
The Commission currently requires retailers to provide a REES reporting statement on a quarterly basis (including for nil returns). That statement includes the data files for that quarter, any applicable declarations (e.g. for address errors) and a signed responsibility statement.

Currently, the data reported are validated and assessed for multiple claims based on the transaction date of the individual energy efficiency activity or energy audit. From 1 January 2015, validation will be based on the date the energy efficiency activity or energy audit is reported.

Discussion

The Commission is expanding the REES Retailer File Validation System (**REES-R**) to allow for real time compliance checking and lodgement of data by retailers or their third party providers.

The expanded REES-R will have three main functions:



Retailers and their third party providers will be able to submit data through the REES-R whenever they choose. Therefore there is limited value in continuing to require retailer quarterly reporting of activity and audit data including the submission of quarterly responsibility statements.

Retailers will still need to submit declarations in relation to address errors and changes of occupancy at a premises. REES activities and energy audits that require a declaration will not

be able to be counted towards a retailer's REES target until the appropriate declaration is received.

Retailers will have 20 business days after the end of a REES year to finalise reporting in REES - R and provide appropriate declarations (where applicable). After that time, no further data can be lodged or submitted for that REES year. Any unresolved data in the system will be removed and the year will be closed to allow final compliance assessment and the determination of target achievement.

The Commission will provide training and guidance to retailers on the reporting requirements of the expanded REES-R.

Final Decision 4:

The REES Code will be amended in the following manner:

- ▲ to remove quarterly reporting requirements; however, those requirements will continue to be applicable for quarter four 2014 reporting of activities and energy audits. The Commission will provide quarterly retailer activity statements.
- ▲ to require all declarations (relating to address errors and changes of occupancy at a premises) for activities and energy audits reported in a REES year to be received within 20 business days after the end of that REES year. If declarations are not received, then those activities and energy audits will not count towards a retailer's target for that year (but can be lodged in a following REES year). Declarations must be signed by an authorised senior officer (as detailed in the retailer's annual compliance plan).
- ▲ to remove the Reporting Specification schedule, as it is no longer relevant.
- ▲ to update Schedule 3 – REES Activity Records (previously Schedule 5) to reflect changes to individual activity specifications.

2.5 Compliance plans

Retailers are required to submit a compliance plan at the beginning of each REES year (due by 31 March) outlining at least the following information:

- ▲ a statement from the Chief Executive Officer (or other authorised person) acknowledging the retailer's REES obligations and responsibilities
- ▲ the retailer's complaint and dispute resolution procedures in relation to REES
- ▲ the training systems and processes provided to retailers' third party providers and or agents
- ▲ the systems and processes in relation to mandatory training requirements
- ▲ the systems and processes in place to ensure those persons undertaking REES activities in a residential customer's premises are fit and proper

- ▲ the retailer’s internal allocation of REES responsibilities
- ▲ the resources, systems and processes which the retailer intends to use to ensure that its REES obligations and responsibilities will be met.

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.

Discussion

The removal of quarterly reporting requirements places a greater importance on retailers’ systems and processes for reviewing activities and energy audits lodged by third party providers in REES-R. While current compliance plans detail these systems and processes, the Commission does not always receive information from retailers on any REES related reviews and audits they may undertake. Such reviews and audits may highlight any deficiencies that need to be addressed. By receiving details of these reviews and audits, any material compliance issues uncovered and the measures put in place to address the compliance issues, the Commission will gain greater assurance that REES Code requirements are being adhered to.

Final Decision 5:

The compliance plan requirements in the REES Code will be amended in the following manner:

- ▲ to require the annual statement from the Chief Executive Officer to contain an assurance as to the capacities of third party providers and a statement identifying any REES related internal reviews or audits undertaken or planned to be undertaken in the REES year of retailer or third party provider systems and process. A retailer must also advise the Commission of any compliance concerns raised through those reviews or audits.
- ▲ to require compliance plans to include copies of the template information statement and activity record provided to residential and commercial customers in relation to energy audits and energy efficiency activities performed. These templates must be consistent with the requirements of section 7.1 of the Code, Schedule 3 – Activity Records and the individual energy efficiency activity and energy audit specifications.
- ▲ to require retailers to nominate an authorised senior officer to sign declarations (relating to address errors and changes of occupancy at a premises).

2.6 Hardship

One of the Government’s original objectives for REES was to assist South Australians to reduce energy bills, particularly those on low incomes. To help achieve this, the current Regulations require all energy audits, and a minimum proportion of energy efficiency

activities, to be undertaken in low income households (referred to as priority group households). The REES Review Report recommended that the scheme objective be recast “to reduce household and business energy use, with a focus on low-income households”.⁵

The Regulations define the residential premises which are considered priority group households. People who hold a Government concession card, receive a Government Energy Concession, or fall in a category of people experiencing hardship, as defined by the Minister or the Commission, are considered to live in priority group households for the purposes of REES. Clause 1.7 of the Code identifies hardship program customers as a class of persons who are experiencing hardship and fall under the definition of a priority group household.

Discussion

The REES Review Report⁶ recommended that the Government work with the Commission to broaden the classes of households that fall within this priority group to include others facing energy-related financial stress, that aren’t currently captured. The REES Review Report did not specify any objective criteria that should be used in determining further priority group categories, but did recommend that community and welfare groups could play a role in referring people for assistance under the scheme. The Commission notes that community and welfare groups can, and already are, referring people to REES third party providers to determine if they are eligible for the Scheme under the current criteria.

Final Decision 6:

The Commission has not made any changes to the current classes of households that fall within the priority group.

2.7 Conversion of energy credits and shortfalls

REES energy efficiency targets are currently expressed in greenhouse gas emissions savings (tCO₂-e). From 2015, REES targets are to be expressed in energy savings (as GJ). As at 31 December 2014, retailers may have accrued energy efficiency activity credits or may have a shortfall that will be added to their 2015 target. The new phase of REES allows conversion of pre 2015 credits and shortfalls from tCO₂-e to GJ.

The amended Regulations require the Commission to determine the manner in which energy credits and shortfalls accrued by retailers before 1 January 2015 are converted from tCO₂-e into a deemed energy savings value in GJ.

⁵ Department of Manufacturing, Innovation, Trade, Resources and Energy, Review Report of the Residential Energy Efficiency Scheme (REES), Part 4 of the Electricity (General) Regulations 2012, under the Electricity Act 1996, and Part 4 of the Gas Regulations 2012, under the Gas Act 1997, 2013, viewed 15 September 2014, available at http://www.sa.gov.au/data/assets/pdf_file/0004/36319/REES-Review-Report.pdf.

⁶ Department of Manufacturing, Innovation, Trade, Resources and Energy, p. 13.

Discussion

The Commission has developed a conversion factor for translating energy credits denominated in tCO₂-e into normalised gigajoules.

Each REES activity undertaken has a deemed greenhouse gas savings value (tCO₂-e) and a corresponding deemed energy savings value (in GJ). The conversion rate between the deemed greenhouse gas savings and the deemed energy savings depends on the mix of fuels (electricity, gas and wood) that are saved by each activity. The mix of fuels saved is different for each activity, e.g. lighting products save only electricity but insulation products save electricity, gas and wood. The Australian Government publishes emissions factors annually, including those for consumption of purchased electricity, consumption of natural gas and combustion of wood, in its National Greenhouse Accounts Factors publication.⁷ The energy efficiency activity reviews that have been undertaken by the Commission have applied the relevant emissions factors applicable at that time in calculating deemed greenhouse gas savings for REES activities. These emissions factors have been used to calculate the conversion rates (GJ/tCO₂-e) for each activity undertaken in REES between 1 January 2012 and 30 June 2014.

The conversion rates have been adjusted by applying normalisation factors⁸ for each fuel to the energy savings of each activity. This is appropriate, as it ensures consistency with the proposed calculation methodology for energy savings under REES from 2015.

An overall conversion factor has been calculated by weighting the activity conversion rates (normalised GJ/tCO₂-e) by the total deemed greenhouse gas savings attributed to each activity.⁹ The calculated conversion factor is 4.02 normalised GJ/tCO₂-e.

Final Decision 7:

The Commission will convert all retailer greenhouse gas credits at 1 January 2015 (in tCO₂-e) to energy savings credits (in normalised GJ) using the conversion factor of 4.02.

If a retailer has a shortfall in one of its greenhouse gas targets in 2014, this conversion factor will be used to convert the shortfall into additional energy savings that that retailer will be required to make in 2015.

⁷ Department of the Environment, *National Greenhouse Accounts Factors*, Final Report, July 2014, viewed 29 September 2014, available at <http://www.environment.gov.au/climate-change/greenhouse-gas-measurement/tracking-emissions>.

⁸ Department of State Development, p. 8. This paper states that applying normalisation factors to energy savings aligns the savings metric with the co-benefits of energy costs savings and greenhouse gas reduction, consistent with REES policy objectives.

⁹ Greenhouse gas savings by activity are for the period 1 January 2012 to 30 June 2014.

2.8 Cut-off date for reporting of pre-2015 energy efficiency activities and energy audits

The amended Regulations require the Commission to set a cut-off date for reporting of energy efficiency activities and energy audits undertaken in the 2014 REES year.

Discussion

The Government's changes to REES have required the Commission to redevelop its REES-R IT system. However, the new REES-R system will need to run in parallel (for a period of time) with the current REES-R to deal with the delayed reporting of 2014 activity data in 2015. All pre-2015 REES energy efficiency activities will need to be reported in tCO₂-e, while activities undertaken from 1 January 2015 will be reported in GJ.

The Commission has decided to limit the period for which the REES-R systems are run in parallel to reduce administration costs and to allow the prompt finalisation of the 2014 REES year.

After the cut-off date, the Commission will not accept any pre-2015 activities and audits to be reported. It will therefore be important for retailers to work closely with their third party providers to ensure all pre-2015 activities and audits are reported promptly.

Final Decision 8:

The Commission has set 27 February 2015 as the final day on which pre-2015 REES energy efficiency activities and energy audits will be accepted. Retailers will still be required to submit their quarter four 2014 report by 30 January 2015, but will have a further 20 business days to report any additional pre-2015 activities and audits.

2.9 Commencement

The changes to the REES Code set out in this Final Decision will take effect from 1 January 2015.

ANNEXURE A – MINISTER’S TARGET APPORTIONMENT METHODS

Apportioning the annual energy efficiency target to gas retailers

The annual energy efficiency target (EET) for a calendar year for a relevant gas retailer is to be calculated using the following formula:

$$A \times (B \times N_g) \div ((C \times N_e) + (D \times N_g))$$

Where:

A is the annual energy efficiency target for the calendar year set under regulation 18(1) of the *Gas Regulations 2012*. This value is expressed in gigajoules of energy.

B is the relevant gas retailer’s gas purchases for retailing to customers within South Australia, for the preceding financial year, excluding designated gas purchases. This value is expressed in gigajoules of energy purchased.

C is the sum of the electricity purchases made by each relevant electricity retailer for retailing to customers within South Australia, for the preceding financial year, excluding designated electricity purchases. This value is expressed in gigajoules of energy purchased.

D is the sum of the gas purchases made by each relevant gas retailer for retailing to customers within South Australia, for the preceding financial year, excluding designated gas purchases. This value is expressed in gigajoules of energy purchased.

N_e is the REES electricity normalisation factor and has a value of 1.00.

N_g is the REES gas normalisation factor and has a value of 0.369.

Relevant gas retailer has the same meaning as in regulation 17 of the *Gas Regulations 2012*.

Designated gas purchases has the same meaning as in regulation 16(4) of the *Gas Regulations 2012*.

Relevant electricity retailer has the same meaning as in regulation 23 of the *Electricity (General) Regulations 2012*.

Designated electricity purchases has the same meaning as in regulation 22(4) of the *Electricity (General) Regulations 2012*.

Apportioning the annual energy efficiency target to electricity retailers

The annual energy efficiency target (EET) for a calendar year for a relevant electricity retailer is to be calculated using the following formula:

$$A \times (B \times N_e) \div ((C \times N_e) + (D \times N_g))$$

Where:

A is the annual energy efficiency target for the calendar year set under regulation 24(1) of the *Electricity (General) Regulations 2012*. This value is expressed in gigajoules of energy.

B is the relevant electricity retailer's electricity purchases for retailing to customers within South Australia, for the preceding financial year, excluding designated electricity purchases. This value is expressed in gigajoules of energy purchased.

C is the sum of the electricity purchases made by each relevant electricity retailer for retailing to customers within South Australia, for the preceding financial year, excluding designated electricity purchases. This value is expressed in gigajoules of energy purchased.

D is the sum of the gas purchases made by each relevant gas retailer for retailing to customers within South Australia, for the preceding financial year, excluding designated gas purchases. This value is expressed in gigajoules of energy purchased.

N_e is the REES electricity normalisation factor and has a value of 1.00.

N_g is the REES gas normalisation factor and has a value of 0.369.

Relevant gas retailer has the same meaning as in regulation 17 of the *Gas Regulations 2012*.

Designated gas purchases has the same meaning as in regulation 16(4) of the *Gas Regulations 2012*.

Relevant electricity retailer has the same meaning as in regulation 23 of the *Electricity (General) Regulations 2012*.

Designated electricity purchases has the same meaning as in regulation 22(4) of the *Electricity (General) Regulations 2012*.

Apportioning the annual priority group target to gas retailers

The priority group energy efficiency target (PGEET) for a calendar year for a relevant gas retailer is to be calculated using the following formula:

$$(A \times B) \div (C + D)$$

Where:

A is the specified amount of the annual energy efficiency target for the calendar year to be achieved by the provision of energy efficiency activities to priority group households, as set under regulation 19(1) of the *Gas Regulations 2012*. This value is expressed in gigajoules of energy.

B is the number of residential customers within South Australia, as at 30 June in the preceding year, to whom the relevant gas retailer sold gas as a retailer to. This value is expressed in number of customers.

C is the sum of the number of residential customers within South Australia, as at 30 June in the preceding year, to whom each relevant electricity retailer sold electricity as a retailer to. This value is expressed in number of customers.

D is the sum of the number of residential customers within South Australia, as at 30 June in the preceding year, to whom each relevant gas retailer sold gas as a retailer to. This value is expressed in number of customers.

Relevant gas retailer has the same meaning as in regulation 17 of the *Gas Regulations 2012*.

Relevant electricity retailer has the same meaning as in regulation 23 of the *Electricity (General) Regulations 2012*.

Apportioning the annual priority group target to electricity retailers

The priority group energy efficiency target (PGEET) for a calendar year for a relevant electricity retailer is to be calculated using the following formula:

$$(A \times B) \div (C + D)$$

Where:

A is the specified amount of the annual energy efficiency target for the calendar year to be achieved by the provision of energy efficiency activities to priority group households, as set under regulation 25(1) of the *Electricity (General) Regulations*. This value is expressed in gigajoules of energy.

B is the number of residential customers within South Australia, as at 30 June in the preceding year, to whom the relevant electricity retailer sold electricity as a retailer to. This value is expressed in number of customers.

C is the sum of the number of residential customers within South Australia, as at 30 June in the preceding year, to whom each relevant electricity retailer sold electricity as a retailer to. This value is expressed in number of customers.

D is the sum of the number of residential customers within South Australia, as at 30 June in the preceding year, to whom each relevant gas retailer sold gas as a retailer to. This value is expressed in number of customers.

Relevant gas retailer has the same meaning as in regulation 17 of the *Gas Regulations 2012*.

Relevant electricity retailer has the same meaning as in regulation 23 of the *Electricity (General) Regulations 2012*.

Apportioning the annual energy audit target to gas retailers

The annual energy audit target (EAT) for a calendar year for a relevant gas retailer is to be calculated using the following formula:

$$(A \times B) \div (C + D)$$

Where:

A is the annual energy audit target for the calendar year set under regulation 23(1) of the *Gas Regulations 2012*. This value is expressed in number of energy audits.

B is the number of residential customers within South Australia, as at 30 June in the preceding year, to whom the relevant gas retailer sold gas as a retailer to. This value is expressed in number of customers.

C is the sum of the number of residential customers within South Australia, as at 30 June in the preceding year, to whom each relevant electricity retailer sold electricity as a retailer to. This value is expressed in number of customers.

D is the sum of the number of residential customers within South Australia, as at 30 June in the preceding year, to whom each relevant gas retailer sold gas as a retailer to. This value is expressed in number of customers.

Relevant gas retailer has the same meaning as in regulation 17 of the *Gas Regulations 2012*.

Relevant electricity retailer has the same meaning as in regulation 23 of the *Electricity (General) Regulations 2012*.

Apportioning the annual energy audit target to electricity retailers

The annual energy audit target (EAT) for a calendar year for a relevant electricity retailer is to be calculated using the following formula:

$$(A \times B) \div (C + D)$$

Where:

A is the annual energy audit target for the calendar year set under regulation 29(1) of the *Electricity (General) Regulations*. This value is expressed in number of energy audits.

B is the number of residential customers within South Australia, as at 30 June in the preceding year, to whom the relevant electricity retailer sold electricity as a retailer to. This value is expressed in number of customers.

C is the sum of the number of residential customers within South Australia, as at 30 June in the preceding year, to whom each relevant electricity retailer sold electricity as a retailer to. This value is expressed in number of customers.

D is the sum of the number of residential customers within South Australia, as at 30 June in the preceding year, to whom each relevant gas retailer sold gas as a retailer to. This value is expressed in number of customers.

Relevant gas retailer has the same meaning as in regulation 17 of the *Gas Regulations 2012*.

Relevant electricity retailer has the same meaning as in regulation 23 of the *Electricity (General) Regulations 2012*.



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