



08/10/20

Department of Energy and Mining,  
Government of South Australia

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Response to: -

***Consultation Paper on Proposed Energy Productivity Scheme (REPS) Activities, Credits and Targets  
September 2020***

Demand Manager welcomes the opportunity to provide a response to the REPS Consultation Paper, September 2020.

Demand Manager is involved in the environmental certificate schemes in NSW, Victoria and S.A. and congratulates the S.A. Government in its vision of a new REPS scheme starting 2021 however after the open stakeholder meeting on the 1/10/20 many questions and issues were communicated which raises concerns on the starting date of January 2021 for existing activities mentioned, new activities in the REPS and priority group achievement with the credits/calculations being announced in this paper.

As Demand Manager has always advocated, "affordable and cost effective" are words that should be used in the new REPS Scheme objective statement, it was interesting to see how the feedback during the meeting reverted back this.

There is a lot involved in implementing this new REPS Scheme in such a short time. After now seeing the productivity factors for certificates, activities and listening to comments of stakeholders we believe there should be a transition approach going into the first year of the REPS for residential installations.

The productivity factors for the globes and SPC's for the priority group has made the installations uneconomical.

\$33 per installation per product group is very expensive for the residential addresses to do a retro fit and the market will find this hard to accept, if not impossible.

We would like to recommend that the productivity factors for the first twelve months of the REPS be the same as the REES, 2020, for light bulbs and SPC's in the priority group and for residential houses. This effectively would be a transition period as some factors and new information pertaining to these activities are a concern.

CFL globes could also be incorporated into the scheme as a large majority of residential homes are currently CFL globes in S.A.

Since commercial lighting for small energy users has a new minimum payment component of \$33 including gst perhaps residential addresses (non-priority customers) could be capped at \$20.00 including gst per address, for all products installed as a group package at an address. (lights, shower roses, SPC's etc)

The above can be allowed for the first 12 months of REPS while trialing, modelling and cost analysis of additional activities in the residential /priority space can occur.

It is of no benefit to any stakeholder in the scheme if new activities or changed REES activities are introduced into the REPS but no take up occurs.

There is a number of deeper retrofit activities mentioned that propose a minimum of 50% is required to be installed/ upgraded as part of the new REPS for the priority group.

As all these activities require a substantial contribution from the customer and we would find this very hard if not impossible to obtain under the current productivity factors. There would need to be a large financial contribution from the electrical retailer for this to occur. This would drive up the costs of the scheme and put upward pressure on electricity prices for South Australians.

### Commercial Lighting

The new REPS calculations = output from ESS Commercial Lighting Calculation Tool as expressed in 'saved MWh' x 3.6 x Productivity Factor (up to a maximum of 1,800 G.J.)

It would be a step forward in stability for S.A. if this current ESS Commercial Calculation Tool be fixed for the first 2 years of the new REPS Scheme as S.A. was the last state to allow commercial lighting and lags N.S.W.

### Renters

Any renter should be available for this scheme under the priority group. If you put a maximum figure on the weekly rent it becomes very difficult to manage and regulate, leading to additional costs to the scheme and work for all stakeholders.

### CONSULTATION QUESTIONS

- 1) *Do you think that the REPS targets for 2021-2025 should be set a similar level to the REES 2018 -2020 (3.3 million GJs per year) or increased?*

It should be increased. I believe the current value in REES is 2.8 million GJs. for 2020?

The scheme has grown over a number of years and has shown that it continues to drive energy savings for the S.A. consumer. As we move into areas of load shifting and demand management onto top of energy savings an increase in G.J.s makes sense.

- 2) *Recognising the REPS will introduce changes from REES, should the five yearly targets be 'ramped', with lower targets in early years.*

The first year could have a conservative increase of 50% then the next 4 of the 5 years a larger %, possibly 75% as deemed appropriate by the department.

- 3) *Noting the REPS is funded by all retail electricity and gas consumers, what is an appropriate costs per year to average South Australian household electricity bill?*

As low as practical. Similar to current costs for the scheme.

- 4) *Given the proposed REPS specifications and values, what are appropriate minimum proportions of the Energy Target that should be delivered through the Household Energy Productivity Targets and the Priority Group Household Targets?*

Given the current specifications and values, I really would find it difficult for the scheme to deliver any volume.

This is prominently due to the globes and SPC productivity factors which are mainly used in household and the priority group.

- 5) *Is the activity an appropriate activity to deliver through the REPS? Is it consistent with the proposed protocol for maintaining calculation methods, eligible activities and specifications (Appendix 1)?*

The activities seem appropriate and fair in this new scheme, but we have concerns over productivity and baseline assumptions that have been mentioned throughout the paper on existing and new activities.

We would like further examination by the department.

- 6) *Does the proposed specification allow for the activity to be delivered in an efficient and effective way?*  
Not currently.

- 7) *Are there any energy productivity activities that would be suitable for use in the REPS that are not proposed?*

YES. Audits and in-home energy displays.

Education is extremely important when discussing and influencing power usage with people. Audits are cost effective and also is the new technology of in-home energy devices which do not require electricians to install.

In the independent Evaluation report the consultant did not mention to not support a continuation of the residential audits.

Furthermore, there is a potential to offer audits and energy devices to small and medium businesses in a cost effective and professional manner.

8) *Based on the proposed specifications, do you consider the activity will be delivered through the REPS?*  
No

9) *Are the normalised productivity credits a fair reflection of the productivity benefits that can be achieved from the activity.*  
Unknown at the moment.

10) *Are there any health and safety concerns with the delivery of the activity that are not adequately addressed by the specifications?*  
Not that I can see.

*All questions 11 to 37 are of new activities and have asked a number of questions which will take some time and resources to answer. There is a real opportunity for these types of activities to be positive for the REPS scheme however there seems to be more questions than answers currently and possibly large cost factors with some activities. We would also like to see how a DR Aggregator would work and cost the scheme.*

*We would like to reserve comment until more information, modelling and costings to the scheme is provided or known for these new REPS activities.*

Regards,

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