

<b>Improve Energy Productivity – Large Facilities</b>	<b>Activity No.</b>
	<b>LF1</b>

## 1. ACTIVITY SPECIFIC DEFINITIONS

**Large Facilities** are a customer's single facility or aggregate of facilities that in total consume 5,000 MWh or more of electricity or 300,000 GJ or more of gas in the 12 months prior to the upgrade.

**Local Productivity Improvements** means works at the Large Facilities that will contribute to more value being created from the Energy Used at the Large Facilities.

**Energy Market Productivity Improvements** means works at the Large Facilities that results in more value created from the Energy Used in the broader energy market. The value created could include, but is not limited to:

- Lowering peak demand for electricity in South Australia
- Increasing wholesale competition
- Lowering costs to South Australian electricity consumers
- Improving power system security
- Improving power system reliability
- Shifting power demand to minimum system load periods

**Energy Used** for the purpose of this specification includes electricity, gas or other fuel types at the Minister's discretion.

## 2. DESCRIPTION (SUMMARY)

This Activity involves the design and implementation of a productivity plan approved by the Minister or their delegate that delivers at Large Facilities Local Productivity Improvements and/or Energy Market Productivity Improvements.

## 3. ACTIVITY ELIGIBILITY REQUIREMENTS

- (1) This activity is available for delivery at Large Facilities. The activity may be delivered at non large facilities at the Minister's discretion.
- (2) A proposed productivity plan must be submitted by an obligated retailer and co-signed by the customer that owns the Large Facilities where the activities will be delivered.
- (3) The productivity plan must be submitted prior to commencing the activities detailed in the plan.
- (4) Multiple works at a single large facility can be included in a proposed productivity plan.
- (5) Works that are already contracted or commenced at the time of submission of a proposed productivity plan are ineligible.
- (6) Capital and/or operating works that deliver Local Productivity Improvements and/or Energy Market Productivity Improvements are eligible for inclusion in a proposed productivity plan.
- (7) Works included in a productivity plan may be delivered by the customer and/or retailer and/or a third party.

- (8) Works in a productivity plan may be implemented over multiple years.
- (9) Installation of lighting is not eligible for inclusion in a productivity plan. This does not prevent implementation of lighting upgrades at Large Facilities using Retailer Energy Productivity Scheme (REPS) activity specification 'CL1 – Commercial Lighting Upgrade'.
- (10) The installation of solar photovoltaic (PV) is not eligible for inclusion in a productivity plan. The installation of systems to maximise utilisation of solar generation are eligible for inclusion.
- (11) A proposed productivity plan should, for each of the works which form part of the plan, include:
  - A description of the proposed work
  - Details of technical advice from relevant experts (internal or external)
  - Quantification of expected Local Productivity Improvements from the work (productivity benefits must be quantified against a base case)
  - Description of expected Energy Market Productivity Improvements from the work
  - A proposed project plan, including implementation schedule, for the work
  - Proposed milestone(s) descriptions and dates, with each work having at least one milestone being work completion
  - Assurances as to the capacities, systems and processes of any parties delivering works under the productivity plan.
- (12) Productivity plans must be delivered in accordance with schedule end dates.

#### **4. INSTALLED PRODUCT REQUIREMENTS**

Any new equipment installed must comply with applicable Australian Standards.

#### **5. MINIMUM INSTALLATION REQUIREMENTS**

Any electrical installations related to the Activity must be performed by a licensed electrical worker under the supervision of a licensed electrical contractor. Any electrical wiring must comply with the latest version of AS/NZS 3000 wiring rules.

The Activity must be completed and certified in accordance with any relevant code or codes of practice and other relevant legislation applying to the Activity, including any licensing, registration, statutory approval, Activity certification, health safety, environmental or waste disposal requirements.

All removed equipment must be removed in accordance with the Environment Protection (Waste to Resources) Policy 2010 under the *Environment Protection Act 1993*. No dangerous materials can be disposed of in a landfill.

#### **6. REPORTING REQUIREMENTS**

For verification purposes, the following records will be retained in relation to each work included in a productivity plan:

- (1) Facility Name
- (2) Facility Address
- (3) Evidence of completion of each work milestone
- (4) Date of completion of each work milestone
- (5) Date that the work is completed

## **7. NORMALISED REPS GIGAJOULES**

The normalised GJs achieved from undertaking this Activity will be determined by the Minister or their delegate based on the productivity benefits outlined in the proposed productivity plan.

Normalised GJs can be assigned to work milestones by the Minister or their delegate.

Normalised GJs can be created across multiple REPS obligation years.

## **8. GUIDANCE NOTES (INFORMATION ONLY – NOT MANDATORY)**

Projects eligible under LF1 may include but are not limited to:

- Upgrade or control of motors, pumps, fans, compressors
- Voltage optimisation systems
- Automation systems including demand response systems
- Participation in the AEMC wholesale demand response market mechanism in the NEM
- Participation in the AEMO retailer and emergency reserve trader mechanism
- Power factor correction
- Energy metering, monitoring and management systems
- Battery energy storage systems
- Upgrade or replacement of refrigeration plant
- Solar PV optimisation systems
- Demand response participation using on site generators
- Waste to energy projects
- Insulation upgrades
- HVAC upgrades
- Heat recovery systems