

## THE REPS MINISTERIAL PROTOCOL

### MAINTAINING AND REVIEWING CALCULATION METHODS, ELIGIBLE ACTIVITIES AND SPECIFICATIONS

Pursuant to regulation 28 of Part 4 *Electricity (General) Regulations 2012* under the Electricity Act 1996 and regulation 22 of Part 4 *Gas Regulations 2012* under the Gas Act 1997 the Minister has the function of maintaining and amending the list of eligible activities or measures for the REPS. This protocol establishes the key principles which the Minister will have regard to in fulfilling this function.

In reviewing the REPS calculation methods, activities and specifications, the Minister will have regard to the following principles:

- Consider any activities that provide energy productivity benefits through:
  - reduced household or business end-use energy consumption
  - reduced household or business end-use energy costs for the same household or business outcomes
- Maximise the number of activities that provide broader energy market benefits in South Australia, such as:
  - reduced wholesale electricity prices
  - reduced electricity network costs
  - improved energy system security benefits
- Ensure that there are sufficient activities to provide a focus on low-income households and facilitate increased delivery to remote and regional areas.
- Maximise the number of activities that obligated Retailers can implement to foster competition, innovation and market efficiency.
- Calculation methods can include activity-specific deemed normalised productivity benefits or formulae, or activity-independent specific measurement approaches.
- Calculation methods using deemed normalised productivity benefits or formulae are appropriate for an activity where there is:
  - low or known variability of the activity and its resulting energy productivity benefits
  - robust, independent, empirical data on baseline and post implementation activities, energy consumption, and other energy productivity benefits
- Calculation methods can deem future normalised productivity benefits:
  - once the initial productivity benefits of an activity have been verified, and
  - if there is robust, independent, empirical data on the likely persistence of productivity benefits

If the above principles cannot be met, calculation methods will be based on empirical measurement and verification of actual delivered productivity benefits.

Measurement and verification-based calculation methods may be developed so as to apply at the level of implementation of an activity at an individual site or based on aggregate measurement across multiple sites.

- Specifications for calculation methods will include, but are not be limited to:
  - the specific activity or categories of activity for which the method can be used
  - the detailed calculation steps to be undertaken, and specifications about how activities are to be conducted and calculations made, including, but not limited to, product and installation requirements, and records kept for audit.

- Activities and calculation methods should be capable of being defined in ways such that they can be objectively audited simply and cost effectively.
- Activities and calculation methods should align with other schemes as far as possible, where this is consistent with scheme principles.
- Activities must be capable of uptake by households and/or businesses within South Australia
- Activity specifications should provide a means for ensuring quality assurance and participant satisfaction, typically through product or installation standards and guidelines.
- Activities should leverage existing, state, national or international standards and accreditation frameworks wherever possible.
- Specifications should require that:
  - activities are undertaken by suitably qualified professionals
  - appropriate levels of training are required for service providers
  - products comply with relevant safety standards
  - installations are in accordance with relevant installation standards, guidelines and/or manufacturer's instructions
  - activities are designed and implemented in a way that minimises risks to service providers and participants.
- Activity specifications should offer options to utilise good practice such as recycling and compliance with best practice installation guidelines.
- Calculation of normalised productivity benefits from an activity should be evidence based and applicable to South Australia.
- Calculation methods should provide a credible means of calculating normalised productivity benefits that balances compliance costs with accuracy of calculations.
- Normalised productivity benefits should be additional to base case and the calculation method is designed in a way that minimises the scope for free riders through the use of appropriate baseline assumptions.
- Calculation methods should provide greater rewards for products and services that deliver higher levels of performance (for example, scalability of deemed normalised productivity benefits to reward products and services with higher performance to maximise potential benefits).
- Calculation methods using deemed productivity benefits should:
  - be informed by credible research and a defensible methodology
  - adjust normalised productivity benefits to account for South Australia's climate zone/s, typical housing stock and energy use practices
  - adjust normalised productivity benefits to account for: the extent to which the benefits will be taken as improved thermal comfort; likelihood of performance changes over time; changing business as usual scenarios; free riders; persistence; or planned future regulation.