

Energy Savings Scheme Overview

Energy Savings Scheme Rule Workshop
3 April 2009

Workshop agenda

- **Overview – Energy Savings Scheme (ESS)**
- **Overview – Energy Savings Rule**
- **Commercial**
- **Industrial**
- **Residential**



Energy Savings Scheme Overview

- **How Scheme works**
- **Target**
- **Complying with target**
- **Penalty**
- **Regulation & administration**
- **Timetable**
- **Transition from GGAS**
- **Towards a national scheme**



How Scheme works

- **Energy savings target for retailers**
- **Retailers obtain certificates**
- **Certificates represent energy savings**
- **Retailers surrender certificates**



Target

- **Of total electricity sales**
 - **0.4% (2nd half 2009) to 4% (2014 – 2020)**
- **Of *liable* electricity sales**
 - **0.5% rising to 5%**
- **Liabile sales = total – exempt**
- **Exemptions – electricity intensive, trade exposed**
- **Align with MRET (if use electricity intensity)**
- **Adjustment mechanism**



Complying with target

- **Retailers obtain certificates**
 - **Create themselves**
 - **Buy from accredited specialists**
- **Rule defines**
 - **Who can accredit**
 - **Eligible activities**
 - **How calculate certificate numbers**
- **Retailer surrenders sufficient certificates**



Penalty

- **Incentive to comply**
- **\$24.50 per Megawatt-hour of shortfall**
- **CPI adjusted**
- **Caps costs at \$35 per MWh**



Regulation & administration

- **Scheme Regulator**
 - **Monitors compliance**
- **Scheme Administrator**
 - **Accredits, audits projects**
 - **Oversees Registry**
 - **Reports certificate creation**
- **Both NSW Independent Pricing and Regulatory Tribunal**



Timetable

- **Scheme starts 1 July 2009**
- **Scheme ends**
 - **2020, unless**
 - **Broad national energy efficiency scheme**
- **Legislation: May 2009**
- **Draft Rule: May 2009**



Transition from GGAS

- **Projects**
 - **End use energy efficiency projects re-accredited to ESS, if comply**
 - **All other projects continue under GGAS**
 - **including on-site generation under Demand Side Abatement Rule**



Transition from GGAS (2)

- **Certificate creation for end-use energy efficiency projects**
 - **Activity until 30 June 2009: NGACs**
 - **Activity from 1 July 2009: Energy Savings Certificates (ESCs)**



Transition from GGAS (3)

- **Certificate surrender**
 - **NGACs for GGAS compliance only**
 - **Energy Savings Certificates for ESS compliance only**



Towards a national scheme

- **NSW supports national energy efficiency scheme, broad, market-based**
 - **Not likely soon**
- **Potential for mutual recognition if similar**
 - **like ACT GGAS**
- **Consistency with Victoria and SA**
 - **Inter-state working group**
 - **Sectors, energy sources, eligible activities, Registry interface**



Questions, comments

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