

Quick Reference Guide to the 2023 ESS Rule Change

24 February 2023

This Quick Reference Guide will help you understand changes to the *Energy Savings Scheme Rule of 2009* (ESS Rule).

What has changed and when do changes take effect?

The *Energy Savings Scheme (Amendment No. 1) Rule 2023* commences on 14 April 2023. This means the changes apply to Energy Savings Certificate (ESC) registrations made from the 14 April 2023, unless otherwise specified in the table below.

Key changes in the ESS Rule

- changes to energy savings equations and Equation 1
- a **decrease in the IHEAB co-payment** for refrigerated cabinets from **\$250** to **\$200**
- introduction of **new eligible fuels**, with flow on changes to Project Impact Assessment with Measurement and Verification (**PIAM&V**) and Metered Baseline Method (**MBM**)
- a new process to allow for **Non-Routine Events (NREs) and Adjustments (NRAs)** in PIAM&V, including a requirements guide that ACPs must follow to account for Non-Routine Events
- **new Recognised Energy Savings Activity (RESA) criteria** that focus on reducing consumption of non-renewable fuels and excluding activities that increase Gas consumption
- **new NABERS building types** for warehouses and cold storage
- minor changes to Home Energy Efficiency Retrofit (**HEER**) and Installation of High Efficiency appliances for Business (**IHEAB**) activity definitions

Further details of the changes can be found in the table below.

What you need to do to get ready

We have published some updated guidance and documentation on our website to help you get ready for the changes. These documents are listed in the table below. We recommend you start preparing your business now by updating your processes, documentation and systems as required.

We will publish more detailed guidance for the methods affected by the changes on 14 April 2023. In the meantime, this document can help you identify which changes will impact you and your business.

If you have any questions about the updated ESS Rule or our guidance, please contact us at: ess_compliance@ipart.nsw.gov.au.

Change	Impacts	Things you need to do
<p>All methods - Change to Equation 1 Regional network factor moved to Equation 1 from Equations 5, 6, 6A, 7A.1, 7A.3, 8.9.1, 12, 13, 15, 16, and 17, and MBM methods 1, 2, 3 and 4.</p>	<p>Electricity Savings uploaded to TESSA, which now must not include Regional Network Factor. TESSA will apply it.</p>	<p>Update your internal systems so they don't include the Regional Network Factor in the Electricity Savings used for certificate creation. Use new implementation upload template from 14 April 2023.</p>
<p>All methods – updates to RESA criteria to introduce new fuel types and reduce non-renewable fuels. – clauses 5.3 and 5.4.</p>	<p>Some new activities have been included in the ESS Rule.</p>	<p>Understand clauses 5.3 and 5.4 of the ESS Rule.</p>
<p>Commercial lighting</p>		
<p>Electricity Savings calculations no longer include Regional Network Factor.</p>	<p>\$5/MWh minimum co-payment for commercial lighting projects will decrease for implementations undertaken where the Regional Network Factor is 1.03 as regional network factor is no longer included in the calculation of Electricity Savings.</p>	<p>Update internal process to calculate minimum co-payment.</p>
<p>IHEAB</p>		
<p>Co-payment for Refrigerated cabinets – clause 9.9.1 (e) (F1.1 and F1.2).</p>	<p>The co-payment reduces from \$250 to \$200.</p>	<p>Update internal processes to collect correct co-payment amount.</p>
<p>updated activity definitions for refrigerated cabinets (F1.1 and F1.2) and high efficiency motors (F7).</p>	<p>New Zealand Energy Efficiency (Energy Using Products) Amendment Regulations 2020 added to eligibility requirements for F1.1 and F1.2 F7 updated to include replacing an existing motor as well as new motors</p>	<p>Review activity definitions F1.1, F1.2 and F7.</p>
<p>PIAM&V and MBM</p>		
<p>Eligible Fuels added include:</p> <ul style="list-style-type: none"> • Biomass, Biofuels, Biogas • Diesel • Onsite renewables. <p>Changes made to clauses 5.3, 5.4, 7A and 8 to include Eligible Fuels.</p>	<p>New fuels can be used to create ESCs using either the PIAM&V or MBM methods</p>	<p>Understand changes to clauses 5.3, 5.4, 7A and 8 of the ESS Rule. If you want to use the new fuels you will need to apply to amend your existing accreditation or apply for a new accreditation after 14 April 2023. Note that updated PIAM&V and MBM application forms now include the new Eligible Fuels and will be available from 14 April 2023.</p>
<p>PIAM&V</p>		
<p>Updated approach to non-routine events and adjustments, including PIAM&V Method Application Requirements for Non-Routine Events that sets out how to identify non routine events and make non routine adjustments – clauses 7A.5B.</p>	<p>Need to use NRE-A Requirements to identify non-routine events and make non-routine adjustments</p>	<p>Understand clause 7A.5B as well as the NRE-A Requirements. Apply these requirements to projects where non-routine events are identified. Update M&V Plans, reports and M&V Professional reports as required.</p>

Change	Impacts	Things you need to do
<p>Clarified Interactive Energy Effects, to reflect new Eligible Fuels – clause 7A.9.</p>	<p>Interactive energy effects replace interactive energy savings.</p>	<p>Understand changes to clause 7A.9. Update M&V plans, reports, and M&V Professional reports to reflect new definition and terms.</p>
<p>Introduced new minimum statistical requirements for regression analysis, including a requirement that the modelling frequency must be specified and exceptions to regression modelling requirements for some non-routine adjustment approaches – clause 7A.2 and Table A22.</p>	<p>New minimum requirements must be met for all regression analysis.</p>	<p>Understand clause 7A.2 and Table A22 of the ESS Rule. Update M&V Plans, reports, and M&V Professional reports to ensure that models meet statistical requirements.</p>
<p>Relaxed calibration requirements for meters approved by the National Measurement Institute for trade purposes (as defined by the <i>National Measurement Act 1960</i>) – clause 7A.5(f).</p>	<p>Fewer calibration requirements for certain meters.</p>	<p>Understand clause 7A.5(f). Update M&V Plans, reports, and M&V Professional reports to ensure that calibration requirements are met if required.</p>
<p>Introduces the effective range adjustment factor to account for effective range effects in – Equation 7A.2 and Equation 7A.4. This factor discounts Energy Savings for values of independent variables that are outside the Effective Range of either the Baseline Energy Model or Operating Energy Model.</p>	<p>New form of Equations 7A.2 and 7A.4 must be used which change the way effective range is accounted for by determining the effective range adjustment factor (ERAF).</p>	<p>Understand [and use?] Equations 7A.2 and 7A.4. Update M&V Plans, reports, and M&V Professional reports to show how ERAF is determined and used.</p>
<p>Introduced new and updated definitions for PIAM&V. – clause 10.1.</p>	<p>New or updated definitions</p>	<p>Understand new definitions and update M&V Plans, reports, and M&V Professional reports to ensure that they reflect new definitions.</p>
NABERS		
<p>Added warehouse and cold storage buildings to the NABERS sub-method – clause 8.8.1.</p>	<p>New building types can be used to create ESCs under NABERS method.</p>	<p>Understand clause 8.8.1 and the new calculation tools for warehouses and cold storage buildings. No changes to existing accreditations are required.</p>
PIAM		
<p>Clarified that Energy Savings are taken to occur on the last date of a period for which energy savings are calculated (deemed date) – clause 7.1(e).</p>	<p>Clarifies when energy savings can be calculated under PIAM.</p>	<p>Review eligible projects and provide written record of the deemed date before applying to register ESCs</p>
HEER		
<p>Updated D5 pool pump motor requirements, specified pool pump must be a registered product in the GEMS Registry.</p>	<p>Special arrangement allowing ACPs to create ESCs for the installation of pool pumps that meet the updated Activity Definition D5. Comes into effect for implementations with an implementation date that from 1 October 2022 where certificates are registered from 14 April 2023.</p>	<p>Review pool pump implementations to determine if eligible to create ESCs.</p>