



Creating PRCs for Registered Peak Activities

*Training Module for the
Demand Management Aggregation Project
under the PDRS Scheme*




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Purpose of training:

To ensure that all participants in the NSW Peak Demand Reduction Scheme (PDRS) are aware of their roles and responsibilities so as to deliver the Scheme's aims in a professional, fair, accurate and transparent manner in line with the Scheme requirements.

Agenda:

1. The Peak Demand Reduction Scheme
 2. Demand Manager
 3. DM's Demand Management Aggregation Project
 4. Specific Requirements
 5. Customer Engagement with End Users
 6. Required qualifications and training
 7. Quality Assurance
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1. PDRS


- NSW based voluntary peak demand reduction scheme.
 - Is one of the schemes under the Energy Security Safeguard which is part of the NSW Governments Electricity Strategy.
 - IPART is the Scheme Administrator of the PRDS.
 - The legal framework for the ESS is established in the PDRS Rule and the Electricity Supply Act and General Regulation.
 - Commenced on 1 November 2022.
 - Provides a financial incentive for households and businesses.
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1. PDRS




- Based on the creation and trading of Peak Reduction Certificates (PRCs) for activities that reduce demand for electricity during the period between 2.30pm to 8.30pm Australian Eastern Standard Time (AEST) from 1 November to 31 March).
- One PRC equals 0.1 kW of peak demand reduction capacity over one hour.
- PRCs can only be created by Accredited Certificate Providers (ACPs).
- Both ESCs and PRCs can be created for eligible activities.
- Each PRC is allocated a vintage year related to the compliance period in which the capacity to reduce peak demand was first made available.

1. PDRS

- PRCs have a lifecycle that includes three status types: active, cancelled or expired.
 - PRCs expire after three years from the beginning of the compliance period during which the capacity is first made available.
 - Market for PRCs is created by targets set for electricity retailers in NSW.
 - Price fluctuates according to supply and demand.
 - The initial peak demand reduction target is 0.5% and it will gradually increase to 10% by 2029-2030.
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1. PDRS

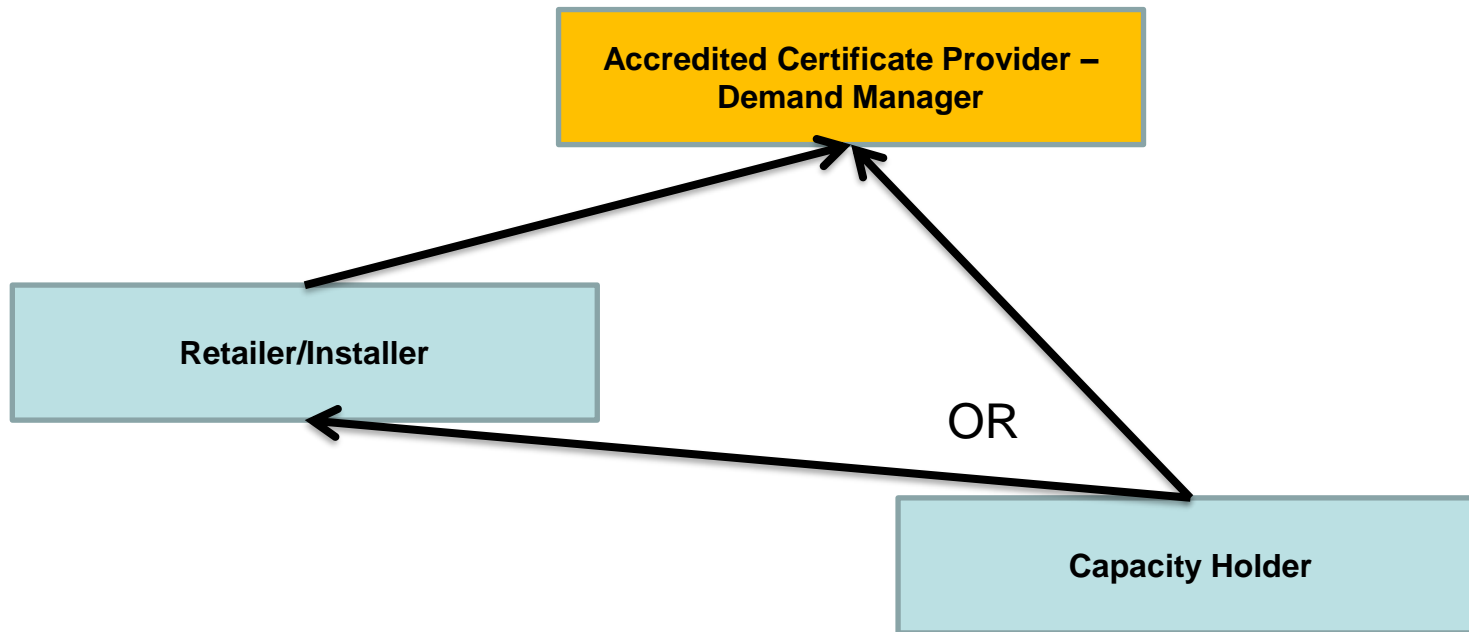
- ACPs are audited and adverse findings can result in forfeiture of ESCs and/or penalties up to \$220,000.
 - The Nomination Form is the legal instrument which transfers ownership of any right to create PRCs to Demand Manager and it should be made clear to original Capacity Holders how this process works and what they are signing for.
 - There is a transitional period of 12 months after the commencement of the Scheme where an ACP is Deemed to be the Capacity Holder subject to conditions.
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2. About Demand Manager

- Launched in 2005 to help Australian businesses deliver sustainable energy, peak demand and water outcomes.
- Is involved in a range of State and Federal Government sustainability programs, including the NSW Energy Savings Scheme (ESS) and PDRS.
- Demand Manager is an ACP with an accreditation for multiple Recognised Peak Activities (RPAs) under the PDRS.
- Is subjected to regular ESS audits to ensure compliance, hence a strong focus on QA.

2. About Demand Manager

Demand Manager can work directly with the Capacity Holder or with a technology retailers or installers.



For further details of tasks and responsibilities of parties involved refer to Section 5 of this document.

2. About Demand Manager

DM undertakes the following activities:

- Adhering to Record Keeping Responsibilities;
- Applying the correct calculation methodologies;
- Verifying all necessary evidence is obtained;
- Submitting registration data into the TESSA Portal;
- Subjecting our process and records to internal and external quality assurance audits. This involves desktop reviews and site visits.

3. DM's Demand Management Aggregation Project

- DM's PDRS Accreditation allows for the creation of PRCs for the implementation of the following Recognised Peak Activities.


Residential / Small Businesses (HEER)	Large Businesses (IHEAB)
HVAC1 Air Conditioners	HVAC2 Air Conditioners
SYS2 Pool Pumps	WH1 Heat Pump
	RF2 Refrigerated Cabinet
	SYS1 Motors for refrigeration and ventilation

3. DM's Demand Management Aggregation Project

An activity is not eligible when it:

- Results in the creation of Peak Demand Reduction Capacity by reducing safety levels or permanently reducing production or service levels.
- Contributes to a net increase in greenhouse gas emissions.
- Is done to comply with any mandatory legal requirements (except for alterations, enlargements or extensions of a BASIX affected development)
- Is a standard control service or prescribed transmission service by a network service provider, except if the activity is a non-network option, or
- Is eligible to create tradeable certificates under the Renewable Energy (Electricity) Act 2000 (Cth) (except if the activity is the installation of a replacement heat pump water heater such as Activity Definition WH1).

4. Specific Requirements

- RPAs need to be implemented in accordance with all relevant legislative requirements, specific accreditation requirements and conditions of accreditation.
 - The exact requirements for activities are outlined in IPART's PDRS Method Guide which is available from (www.energysustainabilityschemes.nsw.gov.au).
 - DM recommends customers to closely read through this Method Guide.
 - Below follows an outline of some of the main requirements and matters to consider.
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4. Specific Requirements

- An RPA must occur at a site connected to the electricity transmission or distribution network within NSW. This is evidenced through an electricity bill or CCEW.
- Activities HVAC1 and SYS2 can only be conducted at a residential or small business site.
- A small business site has an annual electricity consumption of < 100 MWh to be evidence through one or more electricity bills.
- A residential building is a BCA Class 1,2 or 4 building or a Class 10a or b non-inhabitable building. Name of residence evidenced through electricity bill.

4. Specific Requirements

- Activities HVAC2, WH1 and SYS1 cannot be conducted at a residential or small business.
- Old equipment must be correctly disposed of or recycled and must not be refurbished, re-used or re-sold.
- Evidence that refrigerants has been appropriately disposed of or recycled is to be obtained (e.g. for activities HVAC1 +2 and RF2). This is to be evidence with a recycling tax invoice or receipt.

4. Typical evidence collected

- Site Assessment Report (used under the NSW ESS)
- Geo-tagged photos of equipment and areas/buildings.
- Tax invoice
- IPART product acceptance
- GEMS registration screen shot
- Recycling receipt/invoice
- Manufacturer specifications
- Evidence of product acceptance
- Post Implementation Declaration (used under the NSW ESS)
- Nomination Form
- CCEW
- PRC Calculations

4. Nomination Form



- This is a standard template provided by IPART.
- Legal document which enables Demand Manager to create PRCs on behalf of the End-User.
- Must be in the prescribed format with a statement nominating Demand Manager.
- Form must be signed by the End-User **BEFORE** an installation is completed.
- The signee must have legal power to sign on behalf of the Original Capacity Holder.
- The signee must be the purchaser of the new technology **and** have ongoing benefits from the upgrade.
- The End User must be provided with a signed copy.

4. Photographic Evidence



- Photos are an important source of evidence.
- Photos should be clear and relevant.
- Photographs to clearly show the equipment and space and building where upgrades occurred.
- Photos of original and upgraded technologies should show any marking available (e.g. name plates and labels on equipment.)
- Photos to be date-stamped and include geotag data showing the exact location where a photo was taken.

4. Site Specific Requirements

The purpose of a site assessment is to identify opportunities for energy efficiency upgrades and to verify if a site meets all eligibility requirements. The following site and activity specific requirements are to be verified by the retailer/installer:

- Only residential premises and businesses with an annual electricity consumption less than 100 MWh are eligible (recent bill used to determine annual consumption, if close to 100 MWh approval from IPART required).
- Small businesses need to be occupied by a single business in order to be eligible.
- Approval of landlords to upgrade/install equipment may be required.

5. Customer Engagement with Capacity Holders



- DM is responsible for all activities that are part of projects for which PRCs are created under our accreditation.
- This includes activities conducted by DM staff, and activities conducted by third parties (e.g. retailers, installers, salespeople etc.).
- Representative must be aged 18 years or over (unless they are an apprentice supervised by a licensed electrician) and must be:
 - An employee of DM; or
 - A direct contractor of DM; or
 - An employee of another company that has a legally binding contract with DM; or
 - A contractor of another company that has a legally binding contract with DM.

5. Customer Engagement with Capacity Holders



- DM is required to have a Contractual Agreement in place with representatives undertaking aspects of an upgrade (e.g. retailers and installers).
- This Contractual Agreement is to be signed prior to a representative conducting activities under DM's RESA.
- DM must maintain a register of representatives.
- Representatives must be aware of their responsibilities under the PDRS and DM's accreditation and will be provided with information/training by DM.
- The guidelines outlined on the following slides apply to the engagement with customers.

5. Customer Engagement with Capacity Holders



- Principles of openness, transparency and honesty.
- Explain the contents and function of the Nomination Form.
- All parties directly dealing with Capacity Holders are expected to adhere to, and to inform the customers about, the following matters:
- This is not a mandatory scheme.
- Don't present yourself as a representative of the PDRS, IPART or the NSW Government.
- Your products are not endorsed or recommended by the NSW Government;

5. Customer Engagement with Capacity Holders

- Outline the different parties involved and their roles (e.g. the ACP DM).
- Explain and demonstrate the installation work/process and technical features of the technology installed.
- Do not misrepresent the services being undertaken.
- Explain that IPART or ESS auditors may request information to verify that PRCs are properly created, or to obtain access to site to verify the physical installation;
- Provide full assistance to such requests;
- Representatives (e.g. installers) need to appropriately identify themselves (photo ID);

5. Customer Engagement with Capacity Holders

- Explain the process to be followed when customers are not satisfied (e.g. contact details);
- Provide contact details of Demand Manager.

6. Training and qualification requirements

Representatives involved in upgrades must be appropriately trained (prior to performing any activities under the PRC) and have the appropriate qualifications. This includes:

- Completing this training;
- Be a licensed electrician/plumber or be supervised by a licensed tradesperson.

Each implementation must comply with the Electricity Supply Act 1995, the Electricity Supply (General) Regulation 2014, and the PDRS Rule.

6. Training and qualification requirements



Representatives must comply with all legislative or regulatory requirements that are relevant to performing their role. This may include but is not limited to:


- Telemarketing, door-to-door sales and consumer rights under the Australian Consumer Law;
- Protection of Privacy and Information (Privacy and Personal Information Protection Act 1998 and the Privacy and Personal Information Protection Regulation 2014);
- WH&S regulations (Work Health and Safety Act 2019 and Work Health and Safety Regulations 2017);
- The Gas and Electrical (Consumer Safety) Act 2017 and Gas and Electrical (Consumer Safety) Regulation 2018;
- Any other relevant statutory requirements.

7. Quality Assurance

Demand Manager has an internal quality assurance procedure to help ensure that the PRCs that are created are legitimate and correct. This process may include:

- Reviewing paperwork and crosschecking information (Desktop Review).
- Telephone surveys of the Original Energy Savers.
- Site visits.

Demand Manager is also periodically audited by third party auditors who may conduct:

- Reviews of paperwork and the crosschecking of information.
 - Telephone surveys or email surveys of select jobs asking questions to the Original Energy Savers.
 - Site visits on selected jobs to confirm the quantity of lights, and the type of light installed.
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