

Energy Savings Scheme Rule Change Consultation
Department of Trade and Investment
GPO Box 3889
Sydney, NSW 2001



Demand Manager Pty Ltd
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Re: Submission on Energy Savings Scheme Rule Change Consultation Paper

To whom it may concern,

The purpose of this letter is to provide the Department of Trade and Investment with feedback on the proposed changes to the Energy Savings Scheme Rule, as presented in the Consultation Paper released in November 2011.

Demand Manager has been involved in the Energy Savings Scheme since its commencement in 2009, and before that under the Greenhouse Gas Abatement Scheme. As an aggregator ACP, Demand Manager works closely with a wide range of clients, and has built up an in depth knowledge of the areas, and premises, that provide opportunities for energy savings.

Point 2 of the proposed Rule changes suggests including hotels and motels in the definition of 'commercial premises' under the Commercial Lighting Energy Savings Formula. Demand Manager has had numerous inquiries from clients supporting the demand for ESC creation for these premises and believes that this will open up enormous opportunities.

In addition to hotels and motels, Demand Manager believes that there is an additional type of premises that would perfectly fit into the 'commercial premises' category. This type of premises are residential buildings and in particular their common areas.

While residential buildings cannot be categorised as 'commercial premises', it can be argued whether the common areas, that are run by a commercially operating strata manager, cannot be included under the 'commercial' definition. This will also be more consistent with current practices where car parks of residential buildings can be classified as 'commercial'.

The common areas of strata buildings include a wide range of different areas including corridors, (fire) staircases, swimming pools, gyms, elevators, offices, hallways, gardens and others. Considering the fact that there are tens of thousands of strata plans around NSW, these premises provide an enormous opportunity for the creation of ESCs.

The Rule defines 'commercial premises' as buildings classified under any of the following Building Code of Australia ('BCA') classes: 5, 6, 7, 8, 9a, 9b, or 10. Demand Manager suggests considering expanding this definition to include common areas of residential buildings that currently fall under classes 1 (b), 2, 3 or 4.



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In addition to the proposed Rule changes, Demand Manager would like to address the current way ESCs are calculated for Power Factor Correction activities. At the moment the Rule limits the generation of certificates to PFC projects that increase the power factor of a site above 0.90 to a maximum of 0.98.

The present value of ESCs for PFC projects does not provide a rebate of any significant value. In most cases, the value of ESCs is less than the administrative costs. Demand Manager recommends reviewing the calculation approach to offer a valuable incentive for installing PFC.

If you have any questions please don't hesitate to contact me on

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Vincent Willems van Beveren', with a horizontal line underneath.

Vincent Willems van Beveren
Demand Manager Pty Ltd