

INFORMATION BULLETIN – LARGE ENERGY USERS’ SCHEDULED ACTIVITY PREMISES AMENDMENTS COMMENCING 1 AUGUST 2017

Version 1.0 – 27 July 2017

The Victorian Energy Efficiency Target (VEET) scheme is a Victorian Government initiative promoted as the *Energy Saver Incentive*.

Contents

1	OVERVIEW	1
2	WHO IS IMPACTED BY THESE CHANGES	2
3	CHANGES TO THE PRINCIPAL REGULATIONS	2
4	ESC REGISTER OF SCHEDULED ACTIVITY PREMISES	2
5	WHAT DOES THIS MEAN FOR STAKEHOLDERS	2
5.1	Occupiers of scheduled activity premises	2
5.1.1	General considerations and relevant documents	2
5.1.2	Do nothing to remain excluded from the VEET scheme	3
5.1.3	Notify ESC if you intend to opt-in to the VEET scheme	3
5.2	Accredited Persons (APs).....	3
5.2.1	General considerations and relevant documents	3
5.2.2	All business/non-residential assignment forms must be amended	3
5.2.3	VEEC creation fields have been amended.....	4
5.3	Relevant Entities	4
5.3.1	General considerations and relevant documents	4
5.3.2	SAP premises excluded from VEET scheme and energy acquisitions unless opted-in.....	4
5.3.3	Consider changes in SAP status when completing annual energy acquisition statements	5
6	DOCUMENTS FOR REVIEW	5
7	WHERE TO GET HELP	5
8	LEGAL CONTEXT FOR THIS DOCUMENT	5

1 OVERVIEW

This document contains information about amendments to the *Victorian Energy Efficiency Target Regulations 2008* (the Principal Regulations) in relation to scheduled activity premises (SAP) which will commence on **1 August 2017**.

2 WHO IS IMPACTED BY THESE CHANGES

- Large energy users which were excluded from the VEET scheme prior to 1 August 2017.
- Relevant Entities under the VEET scheme.
- Accredited persons (APs) who undertake, business/non-residential VEET activities

3 CHANGES TO THE PRINCIPAL REGULATIONS

Prior to 1 August 2017, premises of large energy users which were previously registered participants in the Environmental Protection Agency's Environment and Resource Efficiency Plans (EREP) program were excluded from the VEET scheme. These premises, formerly known as EREP premises, are now defined to be 'scheduled activity premises' (SAP) under the amended Principal Regulations.

The Principal Regulations provide new arrangements for these premises from 1 August 2017, allowing them to remain excluded from the VEET scheme or to opt-in if they wish. SAPs that opt-in are able to generate certificates under the scheme. However, premises which 'opt-in' to the VEET scheme, also become prescribed customers for the purposes of the definition of scheme acquisition in the Act (i.e. these premises will create liabilities for their energy retailer under the scheme). The premises becomes a prescribed customer on 1 January of the second calendar year after the calendar year in which a certificate was first registered.

4 ESC REGISTER OF SCHEDULED ACTIVITY PREMISES

The Essential Services Commission (ESC) will be publishing a Register of Scheduled Activity Premises (the Register of SAP) on its website to provide stakeholders with the information necessary to determine which premises are SAP premises. This register includes all addresses listed in Schedule 37 of the Principal Regulations (Part 1 and 2), as well as addresses of other premises which were participants of the EREP program. We anticipate publishing this register by September 2017. In the interim, should you wish to confirm if a premises is a SAP, please contact us by email: veet@esc.vic.gov.au.

5 WHAT DOES THIS MEAN FOR STAKEHOLDERS

5.1 Occupiers of scheduled activity premises

5.1.1 General considerations and relevant documents

The Principal Regulations provide the requirements for the ESC to administer in respect of an SAP's involvement in the VEET scheme. The definition of SAP, requirements for opting-in, together with details of the status of a SAP on the Register of SAP at each of the opt-in stages, can be found in the following linked document:

- *Explanatory Note – Large Energy Users' Scheduled Activity Premises.*

The ESC will also be sending letters to the occupier of all SAPs advising them of the implications of the amended regulations and seeking confirmation of the address of their SAP.

5.1.2 Do nothing to remain excluded from the VEET scheme

SAPs are excluded from the VEET scheme unless the occupier provides the ESC with written notice that they wish to 'opt-in' to the scheme. SAPs which do not 'opt-in' to the VEET scheme will continue to be excluded from the VEET scheme. They are unable to create VEECs under the scheme, but also do not create a liability under the scheme for their energy retailer.

5.1.3 Notify ESC if you intend to opt-in to the VEET scheme

SAPs which 'opt-in' are able to register VEECs for upgrades at those premises, but also become prescribed customers for scheme acquisition - the SAP create a liability for the energy retailer for electricity or gas consumed there. Energy retailers may subsequently pass through the costs of the VEET liability to the SAP. SAPs which are considering opting-in should discuss the associated VEET liability with their energy retailer and/or seek legal advice on the implications for their energy retail contracts and other relevant matters before doing so.

When seeking to undertake an upgrade under the VEET scheme, an occupier of a SAP may choose to become an Accredited Person (AP) under the VEET scheme or may contract an existing AP to create and register VEECs on their behalf.

5.2 Accredited Persons (APs)

5.2.1 General considerations and relevant documents

It is the responsibility of the AP to determine the SAP status of the premises. The AP should check before undertaking a VEET upgrade that the status of an SAP on the Register of SAP is not null (i.e. the SAP either has a status of 'Notice Made', 'VEECs Registered' or 'Prescribed Customer'). To do otherwise runs the risk of VEECs for that upgrade being ineligible for registration.

All non-residential VEET activities, including project-based activities, are available to be undertaken at a SAP.

APs should review the following documents to determine the changes introduced by these regulatory amendments:

- *Explanatory Note – Large Energy Users' Scheduled Activity Premises.*
- *All Assignment Form templates for business/non-residential activities.*

5.2.2 All business/non-residential assignment forms must be amended

All business/non-residential assignment form templates have been amended to ensure APs and consumers confirm the SAP status of a premises. The new assignment forms are attached and will be available for

download from the VEET website from 1 August 2017. APs must make amendments to their assignment forms by **1 September 2017**. Assignment conferred for installations conducted after this date must be made on the new assignment form.

APs do not need to submit updated assignment form to the ESC for approval. However, APs are reminded that under the authority of section 16(3)(b) of the *Victorian Energy Efficiency Target Act 2007* (the Act) and Guideline 8.4 of the *Victorian Energy Efficiency Target Guidelines* (the Guidelines), assignment must occur in the manner and form prescribed by the ESC. Failure to use the correct assignment form may result in the improper creation of certificates, leading to potential compliance action.

5.2.3 VEEC creation fields have been amended

A new VEEC creation field 'Scheduled activity premises?' has been added to the VEEC creation interface on the VEET website and to all VEEC creation upload forms for business/non-residential activities. This is a mandatory field and an entry of 'Yes' or 'No' is required. This new field will apply from 1 August 2017 and will need to be completed for all VEEC creation claims made from this date.

5.3 Relevant Entities

5.3.1 General considerations and relevant documents

Relevant Entities should review the following documents to determine the impact of the amended regulations on their energy acquisition liability calculations under the VEET scheme for the 2017 compliance year and beyond:

- *Explanatory Note – Large Energy Users' Scheduled Activity Premises.*
- *Explanatory Note - Relevant Entities - Preparation and Audit of Annual Energy Acquisition Statement.*
- *Explanatory Note - Relevant Entities - Calculation of Scheme Acquisitions.*

5.3.2 SAP premises excluded from VEET scheme and energy acquisitions unless opted-in

All SAPs are initially excluded from the VEET scheme, and accordingly, their energy and/or acquisitions remains excluded from their Relevant Entity's liability under the scheme. However, under the amended Principal Regulations, an occupier of a SAP may choose to opt-in to the scheme. Once the SAP becomes a 'prescribed customer' a VEET liability exemption no longer applies, and the Relevant Entity must include the electricity and/or gas acquisitions from the SAP in their annual energy acquisition statement calculation.

5.3.3 Consider changes in SAP status when completing annual energy acquisition statements

It is the responsibility of the relevant entity to review the ESC's Register of SAP to determine whether any of their customers which are on the Register of SAP have become a 'prescribed customer', and to ensure that changes to the status of SAP are considered when completing their annual energy acquisition statements.

Relevant Entities should contact the ESC on veet@esc.vic.gov.au if they have any queries relating to the status of any SAP on the Register of SAP and the effect on their scheme acquisitions for the compliance year.

6 DOCUMENTS FOR REVIEW

Stakeholders should familiarise themselves with the various administrative requirements in relation to SAP premises. In particular, the amended Principal Regulations will be available on the VEET website under the 'Legislation' page from 1 August 2017.

Additionally, the following updated documents provide further details on the VEET scheme and will be available on the VEET website from 1 August 2017:

- *Explanatory Note – Large Energy Users' Scheduled Activity Premises.*
- *Explanatory Note – Creating VEECs from Prescribed Activities.*
- *Explanatory Note – Compliance Requirements for Accredited Persons by Prescribed Activity.*
- *Explanatory Note - Relevant Entities - Preparation and Audit of Annual Energy Acquisition Statement.*
- *Explanatory Note - Relevant Entities - Calculation of Scheme Acquisitions.*

7 WHERE TO GET HELP

If you have any questions in respect of matters set out in this information bulletin, please contact VEET Support on (03) 9032 1310 or veet@esc.vic.gov.au.

8 LEGAL CONTEXT FOR THIS DOCUMENT

This document should not be relied upon as a substitute for legal advice and should be read in conjunction with the Principal Regulations. In the event of inconsistency between this document and the Principal Regulations, the content in the Principal Regulations takes precedence.