

Review of the South Australian Residential Energy Efficiency Scheme (REES) – Issues Paper  
Department for Manufacturing, Innovation, Trade, Resources and Energy  
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6 November, 2012

Dear Review Team,

Thank you for the opportunity to comment on the Review of the South Australian Residential Energy Efficiency Scheme (REES) – Issues Paper (“The Issues Paper”).

SACOSS is very supportive of the REES scheme and its focus on improving energy efficiency and reducing total energy costs for households, particularly low income households.

In terms of the objectives of the scheme, SACOSS propose placing emphasis on improving system load factor and consequent provision of incentives for energy efficiency activities which would impact positively on system load factor. SACOSS believes that these activities should be accessible by both the priority group households and general households. SACOSS notes the report prepared by Oakley Greenwood which considers this issue including the following proposals:

“Examples of the types of approaches that could be considered in this regard include:

- separate incentives for the take-up of measures that improve system load factor; or
- an adjustment factor that increases the certificate value of (or incentive available for) energy efficiency measures that improve system load factor and reduces the certificate value or incentives available to energy efficiency measures that reduce system load factor”<sup>1</sup>.

SACOSS supports current activity by the Commonwealth Energy Saving Initiative Secretariat to consider incentives for energy efficiency measures based on their impact on the utility’s load factor and strongly proposes that the Department incorporate these findings in the review of the REES.

On another issue, SACOSS is concerned that the benefits of the REES scheme are not being equally shared with regional and remote consumers. SACOSS proposes

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<sup>1</sup> Oakley Greenwood (2012) “Policy options for maximising downward pressure on electricity prices” at [http://www.aigroup.com.au/portal/binary/com.epicentric.contentmanagement.servlet.ContentDeliveryServlet/LIVE\\_CONTENT/Publications/Reports/2012/electricityreport\\_221012.pdf](http://www.aigroup.com.au/portal/binary/com.epicentric.contentmanagement.servlet.ContentDeliveryServlet/LIVE_CONTENT/Publications/Reports/2012/electricityreport_221012.pdf) pg.64.

consideration of a separate target for regional and remote consumers to improve access to REES activities and audits.

In relation to energy audits, SACOSS is concerned about how they are delivered in vulnerable households where significant disadvantages may be present. SACOSS proposes the duration of the audit as well as the number of audits being offered to each household for further consideration. Specifically, SACOSS considers that longer time periods should be required for audits in low income households and that multiple visits would enhance the behavioural change aspect of the audits.

SACOSS strongly supports a continuation of the REES scheme until the National Energy Savings Initiative is operational, while acknowledging that the NESI discussions so far have highlighted the value of defining a priority group and setting targets. However, as highlighted by the delayed commencement of the National Energy Customer Framework in all jurisdictions, the future of a national scheme which requires the support of all jurisdictions is by no means guaranteed. SACOSS does strongly support the continuation of State-based targets under any eventual national scheme, to ensure that South Australian consumers are not disadvantaged by national targets which promote activities which have already reached saturation in South Australia.

If you have any questions relating to these recommendations, please contact SACOSS Senior Policy Officer, Jo De Silva on 8305 4211 or via [jo@sacoss.org.au](mailto:jo@sacoss.org.au)

Yours sincerely,

A handwritten signature in black ink, appearing to read 'RWomersley', with a large, sweeping flourish underneath.

Ross Womersley  
Executive Director