

Benchmark Rating Method Release and PBA Regulation Amendments



Information for program participants

10 December 2018



The PBA Regulations¹ have been updated to include benchmark rating as an eligible method, along with several other amendments.

These changes mean there are now two eligible methods under project-based activities (PBA).

These amendments also affect the requirements for participating in the measurement and verification (M&V) method.

These changes come into effect from 11th December 2018.

We have updated all of our M&V documents and released all relevant benchmark rating documents.

Overview

We have released documentation for parties interested in participating in the PBA benchmark rating method under the Victorian Energy Upgrades (VEU) program. We have also made some updates to the documents related to the M&V method. This information bulletin also includes a market update to inform you of the progress of the method.

There are four major changes:

- From 11th December 2018, benchmark rating is now an eligible method under PBA. **New documents** have been released including all required application forms and guides explaining the requirements of participating in the benchmark rating method. Benchmark

¹ The Victorian Energy Efficiency Target (Project-Based Activities) Regulations 2017





rating projects can now be applied for using the VEU Registry at www.veu-registry.vic.gov.au. This is due to a change in the PBA Regulations.

- Approved measurement and verification professionals (AM&VPs) who provide **basic verification reports** may now, for some projects, be able to be an employee of the AP for that project, if it can be demonstrated that they have remained independent from the project at all times. This is due to a change in the PBA Regulations.
- Lighting products now only need to be approved and on the Register of Products at the time that the next impact report is submitted for that project, instead of at the time of installation. Additional decommissioning requirements added. This is due to a change in the PBA Regulations.
- All M&V documents have been updated to reflect the new terminology and VEU websites, along with other changes explained in this document.

Who is impacted by these changes

The following stakeholders may be impacted:

- Accredited persons (APs) that intend to participate in project-based activities using the M&V or benchmark rating methods.
- Current and prospective AM&VPs
- Current and prospective NABERS accredited ratings providers.

Interested stakeholders should be aware of the below changes when considering undertaking PBA.

Benchmark rating

What is benchmark rating?

The benchmark rating method allows participants, typically with large energy use, to claim incentives by calculating the electricity or gas saved from a specific or range of energy efficiency improvement projects. The benchmark rating method relies on using a building's rating before and after the upgrade to determine energy savings. It has been designed to use National Australian Built Environment Rating System (NABERS) ratings to calculate abatement in eligible buildings.

How do I participate in benchmark rating?

Firstly, read the documents in Table 1 below. If you are not already accredited for project-based activities, apply for approval to undertake the activity.





If you are already approved to undertake project-based activities – measurement and verification, you will automatically be approved to undertake benchmark rating. In this case, no further approval is required to be able to submit benchmark rating project applications.

All applications for projects are made using the VEU Registry at www.veu-registry.vic.gov.au using a similar process to M&V projects.

New documents

We have released new documents which include application forms and guides related to the benchmark rating method, listed in Table 1. All of these documents are available at www.esc.vic.gov.au/benchmark-rating.

Please note, these are not all of the documents needed to participate in benchmark rating. For information and resources on how to become approved to undertake PBA, please visit www.esc.vic.gov.au/getting-accredited.

Table 1: Summary of benchmark rating documents

Document	Details
Benchmark Rating in Victorian Energy Upgrades – Specifications	New – document released by the Department of Environment, Land, Water and Planning providing the methods and variables used to calculate Victorian Energy Efficiency Certificates (VEECs) using the benchmark rating method
Benchmark Rating Process Map	New - a diagram which explains the overall process involved in undertaking a VEU benchmark rating project.
Benchmark Rating Method Activity Guide	New - the primary document explaining how to participate in the benchmark rating method of the VEU program.
Benchmark Rating Method Compliance Requirements	New - a document which explains how to comply with the requirements for participating in the benchmark rating method, along with an explanation of all required evidentiary documents.
Scoping Plan Approval Form: Project-Based Activities: Benchmark Rating	New - the application form required to submit an application for scoping plan approval using the benchmark rating method.
Project Plan Approval Form: Project-Based Activities: Benchmark Rating	New - the application form required to submit an application for project plan approval using the benchmark rating method.
Scoping and Project Plan Approval	New - the application form required to submit a combined





Document	Details
Form: Project-Based Activities: Benchmark Rating	application for scoping and project plan approval using the benchmark rating method.
Impact Report Approval Form: Project-Based Activities: Benchmark Rating	New - the application form required to submit an application for project impact report approval using the benchmark rating method.
Conflict of Interest Declaration: Project-Based Activities: Benchmark Rating	New - a form required to be filled out by the AP and the relevant accredited ratings provider to declare any conflicts of interest when rating a premises, for the purposes of the benchmark rating method.
Insurance Waiver Declaration	This form is common to both M&V and benchmark rating and is used where an AP is carrying out a project at their own site.
Variation Approval Form	This form is common to both M&V and benchmark rating and is used to apply for a variation to a scoping and/or project plan approval.
Registration of Interest Form	This form is common to both M&V and benchmark rating and is required if the AP is not also the energy consumer to provide evidence of the energy consumer's interest in the project proceeding.
VEEC Assignment Form for Project-Based Activities	This form is common to both M&V and benchmark rating and is used to assign the rights to create VEECs from the energy consumer to the AP for a given project.

When using the combined scoping and project plan form, we still assess the scoping and project plan parts separately. This means that if the scoping plan is eligible, you can receive approval for it without waiting for the project plan part to be assessed. It simply gives you the option to more easily combine these two steps into one submission, whilst also allowing eligible projects to commence as soon as possible.

Updated documents

A detailed list of the changes to the M&V documents is found in Table 2 below. The major changes are that AM&VPs may now, for some basic verification reports, be employees of the AP for that project, provided they can demonstrate sufficient independence from the project; and lighting products now only need to be listed on the Register of Products at the time the next impact report is submitted. In addition to this we have simplified the document names, updated all terminology to align with the VEU branding, and made some minor corrections.

All of the below documents can be found at www.esc.vic.gov.au/m-and-v.





Table 2: Changes to PBA documents

Document	Updates
Measurement and Verifications in Victorian Energy Upgrades – Specifications	<ul style="list-style-type: none">• Document released by the Department of Environment, Land, Water and Planning providing the methods and variables used to calculate Victorian Energy Efficiency Certificates (VEECs) using the M&V method• Name changed from Measurement and Verification in the Victorian Energy Efficiency Target Scheme – Methods and Variables• Minor corrections and clarifications
Hot Topics – Project-Based Activities FAQ	<ul style="list-style-type: none">• This document has been removed and can now be found under the FAQ section at www.esc.vic.gov.au/pba.• Additional questions have been added including those related to the benchmark rating method.
Measurement and Verification Summary- Project-Based Activities	<ul style="list-style-type: none">• This document has been removed as it is no longer required, and has been superseded by Measurement and Verification Method Activity Guide
Measurement and Verification Process Map	<ul style="list-style-type: none">• Name changed from Measurement and Verification Process Map – Project-Based Activities
Measurement and Verification Method Activity Guide	<ul style="list-style-type: none">• Name changed from Explanatory Note-Project-Based Activities- Measurement and Verification- Part 1: Activity Guidance• Updated independence requirements for AM&VPs• Updated the time at which lighting products must be on the Register of Products• Updated lighting decommissioning requirements• Terminology changes• Minor corrections
Measurement and Verification Method Compliance Requirements	<ul style="list-style-type: none">• Name changed from Explanatory Note-Project-Based Activities- Measurement and Verification- Part 2: Compliance Requirements



Document	Updates
	<ul style="list-style-type: none">• Updated independence requirements for AM&VPs• Updated the time at which lighting products must be on the Register of Products• Updated lighting decommissioning requirements• Terminology changes• Minor corrections
Registration of Interest Form: Project-Based Activities	<ul style="list-style-type: none">• Terminology changes
Scoping Plan Approval Form: Project-Based Activities – Measurement and Verification	<ul style="list-style-type: none">• Name changed from Application for Scoping Plan Approval - Project-Based Activities – Measurement and Verification• Updated the time at which lighting products must be on the Register of Products• Updated lighting decommissioning requirements• Terminology changes• Minor corrections
Project Plan Approval Form: Project-Based Activities – Measurement and Verification	<ul style="list-style-type: none">• Name changed from Application for Project Plan Approval - Project-Based Activities – Measurement And Verification• Updated independence requirements for AM&VPs• Updated the time at which lighting products must be on the Register of Products• Updated lighting decommissioning requirements• Terminology changes• Minor corrections
Scoping and Project Plan Approval Form: Project-Based Activities – Measurement and Verification	<ul style="list-style-type: none">• Name changed from Application for Scoping and Project Plan Approval - Project-Based Activities – Measurement and Verification• Updated independence requirements for AM&VPs• Updated the time at which lighting products must be on the Register of Products• Updated lighting decommissioning requirements• Terminology changes





Document	Updates
	<ul style="list-style-type: none">• Minor corrections
Impact Report Approval Form: Project-Based Activities – Measurement and Verification	<ul style="list-style-type: none">• Name changed from Application for Impact Report Approval – Project-Based Activities – Measurement and Verification• Updated independence requirements for AM&VPs• Updated the time at which lighting products must be on the Register of Products• Updated lighting decommissioning requirements• Terminology changes
VEEC Assignment Form For Project-Based Activities	<ul style="list-style-type: none">• Name changed from VEEC Assignment Form – Project-Based Activities• Updated lighting decommissioning requirements• Changed structure and content of form to be consistent with assignment forms for other activities
Variation Approval Form: Project-Based Activities	<ul style="list-style-type: none">• Name changed from Application for Variations – Project-Based Activities• Terminology changes• Minor corrections
Insurance Waiver Declaration: Project-Based Activities	<ul style="list-style-type: none">• Terminology changes
Impact Report Checklist: Project-Based Activities – Measurement and Verification	<ul style="list-style-type: none">• Name changed from Project-Based Activities - Measurement and Verification - Project Impact Report Checklist for Accredited Persons• Terminology changes• Minor corrections
Guide for Approved Measurement and Verification Professionals	<ul style="list-style-type: none">• Name changed from Explanatory Note – Approved Measurement and Verification Professionals• Updated independence requirements for AM&VPs• Terminology changes• Minor corrections
Application for Approved	<ul style="list-style-type: none">• Name changed from Application for Approved Measurement





Document	Updates
Measurement and Verification Professionals	and Verification Professionals <ul style="list-style-type: none">• Updated independence requirements for AM&VPs• Terminology changes
Template Letter of Consent to Release Information	<ul style="list-style-type: none">• Terminology changes

Market response and other items

Interest

Following the commencement of the PBA Regulations on 19th June 2017, there has been a great deal of interest in PBA methods and M&V in particular, and we have fielded many questions about our administrative processes. We continue to hold discussions with those interested in engaging with this method either as energy consumers or as APs.

Number of approved APs and third party experts

There are currently fifteen organisations accredited to undertake PBA. All organisations, once approved, are eligible to be listed on the Register of Accredited Persons published at www.veu-registry.vic.gov.au/register-accredited-persons - select 'PBA Activities under VEET Activity Types. Once approved, to be publically visible on this list you need to opt-in from your account. Please contact us if you need further assistance with this step.

There are currently six AM&VPs who are listed on the Register of Approved M&V Professionals published at www.veu-registry.vic.gov.au/register-measurement-verification-professionals.

Project applications and impact reports are now being received and VEECs have been created

We have received and processed a number of project applications from scheme participants. There are currently seventeen projects listed as approved in principle on the Register of Approved Project Plans, published at www.veu-registry.vic.gov.au/register-projects. We have also begun to receive impact reports, where VEECs have now been created for one project under the scheme.

Processing times

To date, we have been able to provide a response to scoping plan applications in just over half a business day on average. Response to project plan applications has been provided in just over





one business day on average. These timeframes should not be relied upon for project planning purposes as they are likely to change depending on application quality, project size and complexity, and the volume of applications being processed by the commission at any given time.

Current processing times for PBA projects are published regularly at www.esc.vic.gov.au/pba.

There are mandated maximum timeframes for us to assess each stage, which can be found in the PBA Regulations.

PBA workshops for newly approved APs

We have offered all APs approved to undertake PBAs an initial PBA workshop. During these workshops, we are able to clarify administrative requirements as well as answer specific questions about our administrative processes. These workshops have been very well received by participants who have indicated that they are very worthwhile.

Feedback on PBA administration

We have deliberately tried to keep our administrative requirements as general as possible to allow participation from the maximum number of stakeholders possible. However, this may have unintended consequences in certain unforeseen situations. If you have any feedback, comments or suggestions for improvement on our administrative processes, we are very keen to hear from you.

To date, we have met regularly with interested stakeholders and have been incorporating their relevant feedback.

Where to get help

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

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 Victorian Energy Efficiency Target Regulations 2008 (the principal VEET Regulations) and the PBA Regulations. In the event of inconsistency between this document and either the Principal Regulations and/or the PBA Regulations, the content in the Principal Regulations and PBA Regulations take precedence.

