



Independent Pricing and Regulatory Tribunal  
New South Wales

# Application for Accreditation Guide – ACPs

## Energy Savings Scheme

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## 1 About this document

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This document provides information to Accredited Certificate Providers (**ACPs**) and entities new to the ESS about applications for new accreditation under the [Electricity Supply Act 1995 \(Act\)](#) and [Electricity Supply \(General\) Regulation 2014 \(Regulation\)](#).

You should read this document in conjunction with the application forms:

- ▼ [Application for Accreditation Form Part A](#), and
- ▼ [Application for Accreditation Form Part B](#) for the relevant calculation method.

The application forms provide more information about what you need to submit. The [ESS website](#) provides guidance on the application process.

## 2 What information do we consider?

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We assess applications against the relevant requirements of the Act, the Regulation, the [Energy Savings Scheme Rule of 2009 \(ESS Rule\)](#) and our other guidance documents.

In our assessment, we consider:

- ▼ All relevant information you provide through the application process
- ▼ Your (and your Related ACPs')<sup>1</sup> compliance record with the ESS and other similar schemes
- ▼ Current and emerging compliance issues (within the ESS and other similar schemes), and
- ▼ Other relevant factors (eg, individual credit checks of your office holders) and all matters we are required to consider under the Act and Regulation.

All applications are decided on a case by case basis and accreditation is not guaranteed.

## 3 Who is eligible for accreditation?

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A person is only eligible for accreditation as an ACP in respect of an activity if:

1. The activity is a recognised energy saving activity under the scheme rules and the person is eligible for accreditation in respect of the activity under the scheme rules.
2. The person has record keeping arrangements with respect to the activity that are approved by the Scheme Administrator or (in the case of a proposed activity) the Scheme Administrator is satisfied that the person will, when the activity is carried out, have appropriate record keeping arrangements in respect of that activity.
3. In the case of a proposed activity—the Scheme Administrator is satisfied that the activity will be undertaken substantially as described in the person's application for accreditation.
4. The person is a suitable person to be accredited as an ACP.
5. The person is not engaged in an industry, and does not carry out an activity, that benefits from a full exemption from the ESS.<sup>2</sup>

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<sup>1</sup> Refer to the [Compliance Guide - ACPs](#) for the definition of Related ACP.

<sup>2</sup> Clause 38 of Schedule 4A to the Act; clause 38(1) of the Regulation; clause 5.6 of the ESS Rule.

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## 4 How you submit your application

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You must make your application in the form (ie, what to submit) and manner (ie, how to submit) approved by us, as the Scheme Administrator, and accompany it with any information relating to the activity that we, as the Scheme Administrator, require.<sup>3</sup>

Applications must be made electronically and must include:

- ▼ The completed application form which has two parts: Application for Accreditation Form Part A and Application for Accreditation Form Part B relevant to the calculation method for which you are applying,<sup>4</sup> and
- ▼ Supporting documentation as set out in the application forms.<sup>5</sup>

Further information about [how to submit your application](#) is on the ESS website.

## 5 You will be charged an application fee

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An application fee of \$2,500 is applicable and non-refundable.<sup>6</sup>

When we receive your application, we check it for completeness. If you have provided the required information, we will send you an invoice for the application fee.

We will start assessing your application against ESS requirements when we receive the application fee in our bank account.

## 6 Can you be exempt from the application fee?

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The application fee may not be required if you can demonstrate that your application meets all of the following criteria:

- ▼ You previously submitted an application for the same activity but subsequently withdrew it
- ▼ You submitted the new application within six months of the date the first application was withdrawn<sup>7</sup>
- ▼ You paid the application fee for the withdrawn application and we issued no more than one request for further information (**RFI**), and
- ▼ The new application is in the required form and manner (see Section 4 above) and addresses any issues previously identified by us (eg, through an RFI).

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<sup>3</sup> Clause 39 of the Regulation.

<sup>4</sup> Typically we accept only one calculation method per application, you may need to submit a separate application to use another calculation method.

<sup>5</sup> All your documents must be easily accessible, not password protected and provided in commonly used file formats, such as Word, Excel, Adobe, JPEG, etc

<sup>6</sup> Schedule 3 of the Regulation.

<sup>7</sup> This is the date of the email from us to you that acknowledged the withdrawal of your application.

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## 7 How will we communicate during your application process?

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We may request further information (an RFI) from you if we identify issues with the application that require clarification, explanation or if information is missing. We may also request information from you if ESS requirements change (eg, ESS Rule is amended) while your application is being processed. Where we request information we will include a due date for your response – you may request an extension to any due dates in writing and must provide reasons for your request.

We will also request that you sign a set-aside undertaking. If your application is approved, the undertaking will require you to withhold or set-aside a percentage of registered ESCs from sale or trade until the validity of the ESCs have been confirmed through an audit. Refer to the [Fact Sheet – Undertakings](#) for more information about this requirement.

## 8 Making an accreditation decision

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Once we have assessed the information you have provided, the Scheme Administrator makes a decision to either accredit you as an ACP, or refuse your application (Box 8.1).

### **Box 8.1 Factors that the Scheme Administrator will consider when determining an application**

The Scheme Administrator must decide the following when determining whether a person is eligible for accreditation as an ACP under the ESS, pursuant to clause 38 of the [Regulation](#):

1. Whether a person is eligible for accreditation in respect of a recognised energy saving activity (**RESA**) under the ESS Rule. In that regard, clauses 5.6 and 5.7 of the ESS Rule provides that:
  - a) A person is only eligible for accreditation as an ACP if the person is a 'suitable person' to be so accredited, and
  - b) In considering the suitability of a person, the Scheme Administrator may take into account such matters as it considers relevant including previous commercial dealings of the person and its associates, and the standard of honesty and integrity shown in those previous commercial dealings.
2. Whether the Scheme Administrator is satisfied that an applicant will have appropriate record keeping arrangements in respect of the RESA.
3. Whether the Scheme Administrator is satisfied that the RESA will be undertaken substantially as described in the person's application for accreditation.

We will advise you of the Scheme Administrator's decision in writing, along with the reasons for the decision, typically via email.

If you become accredited, you will be issued with an accreditation notice outlining your conditions of accreditation, including:

- ▼ What you are accredited for
- ▼ The calculation method you can use

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- ▼ Your audit regime and ESC creation limit, and
  - ▼ Any insurance, reporting or special requirements.

You will need to read and understand the accreditation notice, as you are required to comply with the accreditation notice, the ESS Rule, the Regulation and the Act.

If the Scheme Administrator decides to refuse your application, you will be provided with the reasons for the decision, and information regarding your review rights.<sup>8</sup>

## 9 How do we set your initial audit regime and ESC creation limit?

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When we, as the Scheme Administrator, accredit an applicant, we assign an audit regime, or a combination of audit regimes, and an ESC creation limit, which are set out as conditions of accreditation. The type of audit regime/s and ESC creation limit we typically apply depends on the risk of non-compliance, particularly the risk of improper ESC creation, and the type of RESA.

The three-step process outlined below describes our typical approach to setting the initial audit regime and ESC creation limit, but we consider each application on its merits and may apply a different process depending on the risk of non-compliance presented in an application.

### Step 1 – Assess risk factors and calculate your overall score

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For applicants with an ESS compliance record, we consider and rate four factors that relate to the risk of non-compliance typically associated with an application and calculate an overall score (see Table 9.1 on the next page). For example, your score will be 12 (out of a possible 18) if:

- ▼ Your last two ESS audits were successful audits and you've had no significant compliance issues in the last 12 months (9 points)
- ▼ Your proposed RESA will be undertaken at multiple unidentified sites (1 point)
- ▼ You will need to be nominated as the energy saver for the RESA (1 point), and
- ▼ You have applied to use one of the Deemed Energy Savings calculation methods (1 point).

We then categorise your overall score as either 'low', 'moderate' or 'satisfactory' (see Table 9.2). Continuing the above example, a score of 12 results in a 'satisfactory' overall score category.

For applicants without an ESS compliance record, we automatically apply a 'low' overall score category. The category *Applicants without an ESS compliance record* includes applicants that are accredited for other RESAs but have not completed any audits, and applicants that are new to the ESS.

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<sup>8</sup> For more information on your review rights see our [Fact sheet – How to have a decision reviewed](#)

**Table 9.1 Risk factors of non-compliance and their confidence ratings and points**

Factor for proposed RESA	Description	Confidence rating and points		
		Low	Medium	High
<b>Compliance record</b>	This is you (and your Related ACPs') track record in the ESS, including, but not limited to, your performance in audits and reporting, and other factors such as your responsiveness to requests. An applicant with a good compliance record is likely to have a lower risk of non-compliance than an applicant with a poor compliance record or an applicant without a compliance record.	You have had: One or two failed audits (of your two most recent audits), or You've had significant compliance issues in the last 12 months. <sup>b</sup> <b>3 points</b>	Your most recent audit was a successful audit, <sup>a</sup> and You've had no significant compliance issues in the last 12 months. <b>6 points</b>	Your two most recent audits were successful audits, and You've had no significant compliance issues in the last 12 months. <b>9 points</b>
<b>Number of sites</b>	In general, when a RESA is undertaken at a single site, audit findings will be more accurate because sampling at site level is not required. The risk of non-compliance is likely to increase if the RESA is implemented across multiple sites and sampling is required.	Multiple unidentified sites <b>1 point</b>	Multiple identified sites <b>2 points</b>	Single identified site <b>3 points</b>
<b>Type of energy saver</b>	When you are the original energysaver there is more incentive for you to implement your RESA in a way that achieves genuine energysavings as you will directly benefit from the savings, which reduces the risk of non-compliance. A nominated energy saver is seen as higher risk as it will typically be focused on ESC revenue rather than genuine energysavings.	Nominated energysaver <b>1 point</b>	N/A	Original energy saver <b>3 points</b>
<b>Calculation method</b>	We consider the nature of your proposed ESC calculation method and the inherent risks of non-compliance posed by the method.	Deemed energysavings methods MBM (aggregated metered baseline) PIAM&V (with sampling) <b>1 point</b>	PIAM&V (forward creation) <b>2 points</b>	MBM (NABERS baseline) MBM (other) PIAM&V (annual creation) <b>3 points</b>

**a** A successful audit is one where the auditor provides either reasonable assurance or qualified reasonable assurance, with no material errors or unimplemented recommendations.

**b** A significant compliance issue may include, but is not limited to, matters such as: not completing an audit in accordance with a condition of accreditation, not providing information required by the Scheme Administrator, or ESC calculation or registration errors identified through, or outside of, an audit.

**Table 9.2 Categorisation of overall scores and typical ESC creation limit**

	6 points	7 to 11 points	12 to 18 points
Category	Low	Moderate	Satisfactory

## **Step 2 – Consider other factors specific to your application**

We also consider any other factors relevant to your application to ensure we appropriately mitigate the risk of non-compliance (including improper ESC creation). These factors include:

- ▼ Whether you gave a set-aside undertaking<sup>9</sup>
- ▼ Your estimated annual ESC creation (as indicated in your application)
- ▼ Your history of compliance under any other similar scheme (eg, the Victorian Energy Upgrades program, Renewable Energy Target)
- ▼ Current or emerging compliance issues for the energy savings calculation method you've proposed
- ▼ Your experience in delivering the proposed RESA, prior to applying for accreditation (as demonstrated in your application), and
- ▼ Your understanding of the ESS and the energy savings calculation method you've proposed (as demonstrated in your application).

## **Step 3 – Determine your audit regime/s and ESC creation limit**

The final step is to assign an audit regime and ESC creation limit. This is done on a case-by-case basis considering our assessment of risks as outlined in steps 1 and 2 above and the type of RESA that you have applied for. The different types of audit regimes are described in the [Compliance Guide – ACPs](#).

In most cases, we apply a pre-registration or volumetric audit regime (refer Table 9.3). In general, if the overall score category for your application is assessed as:

- ▼ Low, you will be placed on a pre-registration audit regime, where audits are to be conducted before you can register ESCs. We do not typically set an ESC creation limit for pre-registration audit regimes, because ESCs must be audited beforehand.
- ▼ Moderate or satisfactory, you may be placed on a volumetric audit regime, which allows you to register ESCs before they are audited. We typically limit the number of ESCs that you can register to 5,000 or 10,000 ESCs between audits, and require audits to be conducted at least annually.

For some RESAs, we may apply a periodic, single or spot audit regime (refer Table 9.4).

Once accredited, you may apply to amend your audit regime and/or ESC creation limit. Refer to the [Compliance Guide – ACPs](#) for more information about this process.

<sup>9</sup> See [Fact Sheet – Undertakings](#).

**Table 9.3 Typical audit regime and ESC creation limits**

	Overall score category		
	Low	Moderate	Satisfactory
Typical audit regime and ESC creation limit	Pre-registration audit regime with no ESC limit. You must conduct an audit before you can register eligible ESCs.	Volumetric audit regime with a 5,000 ESC limit. You may create up to 5,000 ESCs between audits. First audit required within one year of accreditation.	Volumetric audit regime with a 10,000 ESC limit. You may create up to 10,000 ESCs between audits. First audit required within one year of accreditation.

**Table 9.4 Typical audit regimes for the type of RESA**

Audit regime	Factors which may lead to imposing this type of audit regime
Pre-registration	<ul style="list-style-type: none"> <li>▼ We determine your overall score category to be low</li> <li>▼ You do not have an ESS compliance record, or</li> <li>▼ You were not able to provide sufficient information for us to properly assess the risk of improper ESC creation.</li> </ul>
Volumetric	<ul style="list-style-type: none"> <li>▼ We determine your overall score category to be moderate or satisfactory</li> <li>▼ Your RESA will be implemented at multiple unidentified sites, or involves multiple energy savers (eg, when using the deemed energy savings methods)</li> <li>▼ You expect frequent ESC creation (eg, a number of times through the year), and</li> <li>▼ We consider periodic auditing to be too infrequent to identify potential improper ESC creation in a timely manner.</li> </ul>
Periodic	<ul style="list-style-type: none"> <li>▼ Your RESA will be implemented at a single site or a defined list of sites, and</li> <li>▼ You expect low-frequency ESC creation from the RESA (eg, create ESCs annually using MBM or the PIAM&amp;V method).</li> </ul>
Single	<ul style="list-style-type: none"> <li>▼ You will be the original energy saver, or</li> <li>▼ Expect to only create ESCs once (eg, when using MBM or the PIAM&amp;V method).</li> </ul>
Spot	<ul style="list-style-type: none"> <li>▼ Spot audits apply to all ACPs. In some cases that may be the only audit regime that is applied.</li> <li>▼ Spot audits are typically applied to applicants proposing to use the NABERS method.</li> </ul>

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## Document Control

Version	Change description	Date published
V1.0	Initial release – following gazettal of ESS Rule Amendment No. 2	16 July 2014
V1.1	Update to clarify requirements for suitability test and supporting statutory declaration, record keeping and quality assurance.	1 July 2015
V1.2	Update to: <ul style="list-style-type: none"><li>– advise applicants of the application fee increase</li><li>– advise applicants outside NSW that they must use a statutory declaration valid in their jurisdiction</li><li>– advise applicants to collect additional information required by the updated Compliance and Performance Monitoring Strategy released in August 2015, and</li><li>– improve general readability.</li></ul>	February 2016
V1.3	Updates to meet the requirements of the amended ESS Rule which commenced on 15 April 2016 and to clarify some requirements.	August 2016
V2.0	Updated to clarify requirements, improve the quality of applications and align with processes used by similar regulators.	May 2017
V3.0	Updated to incorporate additional information: section 3 – previously in the <i>Guide to Accredited Certificate Provider's Obligations</i> , and section 5 - previously in the <i>Compliance and Performance Monitoring Strategy</i> .	December 2017
V3.1	Updated to remove reference to the OEH calculation tool (no longer supported) for the HEER method	June 2018
V3.2	Updated to reflect amendments to the ESS Rule	March 2020
V4.0	Updated to: <ul style="list-style-type: none"><li>– Reduce length, and improve clarity, readability and presentation</li><li>– Transfer all information on how to complete an application to within the Application Form Part A</li><li>– Transfer information on obligations of ACPs to the General Requirements Guide, and</li><li>– Transfer information on undertakings to Fact Sheet – Undertakings.</li></ul>	25 September 2020
V4.1	Updated to clarify the process for setting the audit regime and ESC creation limit for a new accreditation.	18 December 2020