



# Energy Efficiency Opportunities Amendment (Assessments and Reporting) Regulation 2013

## Select Legislative Instrument No. 227, 2013

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I, Quentin Bryce AC CVO, Governor-General of the Commonwealth of Australia, acting with the advice of the Federal Executive Council, make the following regulation under the *Energy Efficiency Opportunities Act 2006*.

Dated 05 August 2013

Quentin Bryce  
Governor-General

By Her Excellency's Command

Gary Gray AO  
Minister for Resources and Energy

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## **1 Name of regulation**

This regulation is the *Energy Efficiency Opportunities Amendment (Assessments and Reporting) Regulation 2013*.

## **2 Commencement**

This regulation commences on the day after it is registered.

## **3 Authority**

This regulation is made under the *Energy Efficiency Opportunities Act 2006*.

## **4 Schedule(s)**

Each instrument that is specified in a Schedule to this instrument is amended or repealed as set out in the applicable items in the Schedule concerned, and any other item in a Schedule to this instrument has effect according to its terms.

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No. 227, 2013

*Energy Efficiency Opportunities Amendment (Assessments and Reporting) Regulation 2013*

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## Schedule 1—Amendments

### *Energy Efficiency Opportunities Regulations 2006*

#### 1 Subregulation 1.3(1)

Insert:

***approved form*** means a form approved by the Secretary under regulation 1.8.

***aspirational target*** means a target for energy efficiency that:

- (a) is technically achievable; and
- (b) encourages the achievement of substantial energy efficiency opportunities in the design of a new development or an expansion.

***Assessment Framework*** means the Assessment Framework in the table in:

- (a) for a new development or an expansion—item 301 of Schedule 2A; or
- (b) otherwise—item 305 of Schedule 3.

***energy and material flows*** means:

- (a) the materials and energy entering and leaving a site or fleet and its processes, systems, activities and equipment; and
- (b) the energy conversions and energy use within the site or fleet and its processes, systems, activities and equipment.

***energy efficiency opportunity*** means a potential change to a process, system, activity, technology or piece of equipment that:

- (a) may result in improvements in energy performance; and
- (b) does not breach a legal obligation (such as building regulations or occupational health and safety requirements).

***energy performance*** means measurable results related to energy efficiency, use and consumption, in a form that enables comparisons against a corporation's energy policy, objectives, targets and other energy performance requirements.

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***energy productivity improvement*** means a design choice in relation to a new development or an expansion that:

- (a) relates to energy sources and how energy is used; and
- (b) is intended to produce a financial return.

***whole-of-business evaluation*** of an energy productivity improvement means a financial evaluation to consider all relevant quantifiable business costs and benefits relating to the improvement, including:

- (a) direct energy-related costs and savings; and
- (b) other quantifiable costs and benefits, including the following for example:
  - (i) a capital cost or an avoided capital investment;
  - (ii) the cost of maintenance, waste disposal, water usage or occupational health and safety;
  - (iii) a cost associated with a project delay;
  - (iv) a cost associated with a change in productivity, or the quality or quantity of an output;
  - (v) the cost of an effect on another system.

## **2 Subregulation 1.3(3)**

Omit “of the Key Elements set out in Schedule 6”, substitute “in the table in item 301 of Schedule 2A”.

## **3 Subregulation 1.3(5)**

Omit “of the Key Elements set out in Schedule 6”, substitute “in the table in item 301 of Schedule 2A”.

## **4 Subregulation 1.6(1) (table items 2 and 3)**

Omit “mentioned in regulation 6.1”.

## **5 At the end of Part 1**

Add:

### **1.8 Forms**

- (1) The Secretary may approve forms for these Regulations.

- (2) If the Secretary approves a form for a particular purpose, then subject to these Regulations, the approved form must be used for the purpose.
- (3) The Secretary must ensure that approved forms are publicly available.

## 6 Regulation 5.2

Repeal the regulation, substitute:

### 5.2 Requirements for an assessment plan—information in plan

- (1) For paragraph 18(8)(b) of the Act, this regulation contains the information that is required to be set out in an assessment plan of a controlling corporation.
- (2) The information is:
  - (a) to the extent that the assessment plan relates to a new development or an expansion—the information in Schedule 2A; or
  - (b) to the extent that the assessment plan relates to an existing facility—the information in Schedule 3.
- (3) However, if a new development or expansion is likely to affect energy use in relation to an existing facility (an *affected facility*):
  - (a) the controlling corporation may choose to prepare the assessment plan as if the affected facility were part of the new development or expansion; and
  - (b) if the controlling corporation does so:
    - (i) the assessment plan must state that the controlling corporation has chosen to prepare the plan as if the affected facility were part of the new development or expansion; and
    - (ii) the information required to be set out in the assessment plan for the new development or expansion, and the affected facility, is the information in Schedule 2A.
- (4) The information must relate to:
  - (a) the controlling corporation's group as a whole; or



- (b) if the controlling corporation has authorised members of the group to submit parts of the plan—all of the group, when the parts are combined.

## **7 Subregulation 5.7(2)**

Repeal the subregulation, substitute:

- (2) The proposal must include a timeframe that requires at least one assessment to be completed before the end of the first 2 years of the assessment cycle.

## **8 Part 6**

Repeal the Part.

## **9 Before Division 1 of Part 7**

Insert:

## **Division 1A—Application of Part**

### **7.1A Application of Part**

If a controlling corporation prepares an assessment plan as if an existing facility (the *affected facility*) were part of a new development or expansion in accordance with subregulation 5.3(3), this Part applies to the affected facility as if it were part of the new development or expansion.

## **10 Subregulation 7.2(1)**

Omit “Schedule 4.”, substitute “the following table.”.

## **11 At the end of subregulation 7.2(1)**

Add:

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### **Information for report under section 22 of Act**

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| <b>Item</b> | <b>Information</b> |
|-------------|--------------------|
|-------------|--------------------|

|   |   |
|---|---|
| 1 | The period to which the report relates. |
|---|---|

|   |   |
|---|---|
| 2 | Cumulative information about changes in each year, from the start of the assessment cycle, such as: |
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Schedule 1 Amendments

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| <b>Information for report under section 22 of Act</b> |  |
|---|--|
| <b>Item</b>   | <b>Information</b>   |
|   | <p>(a) the addition of opportunities because of the completion of further assessments; or</p> <p>(b) progress in the business response to assessments (for example the progress of an opportunity from “identified” to “implemented”); or</p> <p>(c) a change in estimates because of improved accuracy from further investigation or implementation; or</p> <p>(d) a change to original estimates due to changes in productivity, production and product mix; or</p> <p>(e) the disposal or acquisition of:</p> <ul style="list-style-type: none"><li>(i) members of the group; or</li><li>(ii) a business unit; or</li><li>(iii) a site; or</li></ul> <p>(f) a merger or demerger; or</p> <p>(g) significant variations in energy use and energy savings resulting from a change mentioned in this item.</p> |
| 3   | <p>A summary of each assessment of opportunities for improving the energy efficiency of the registered corporation’s group that have been undertaken, including as many of the following details that are relevant:</p> <p>(a) the names of:</p> <ul style="list-style-type: none"><li>(i) corporations; and</li><li>(ii) joint ventures and partnerships; and</li><li>(iii) business units; and</li><li>(iv) key activities; and</li><li>(v) sites for which the energy use in the baseline year was over 0.5 PJ;</li></ul> <p>(b) the energy use of the relevant part of the group that has been assessed, expressed as a percentage of the energy use of the total energy use of the group or the part of the group covered by the report.</p>  |
| 4   | <p>A statement to the effect that potential opportunities have been evaluated to an accuracy that is appropriate for the corporation’s business response.</p>  |
| 5   | <p>The total energy use covered by all assessments to which the report relates. The statement must include the energy use of each group member, or each business unit, or each key activity, that has been assessed, reported as an actual total.</p> <p>However, with the approval of the Secretary, given in relation to an assessment plan, the energy use may be reported as a bandwidth that is no</p>  |
| 6   | <p><i>Energy Efficiency Opportunities Amendment (Assessments and Reporting) Regulation 2013</i> <span style="float: right;"><i>No. 227, 2013</i></span></p>  |

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**Information for report under section 22 of Act**


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| Item | Information |
|------|-------------|
|------|-------------|

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more than:

- (a) if the total energy use is 0.1 PJ or more but not more than 25 PJ—20% of the total energy use; or
- (b) if the total energy use is more than 25 PJ—5 PJ.

If the total energy use is 0.1 PJ or more but not more than 25 PJ, the bandwidth must be expressed as the following fraction:

$$\frac{A}{B}$$

where:

**A** is:

- (a) no less than the total energy use; and
- (b) no more than the total energy use plus 20%.

**B** is:

- (a) no more than the total energy use; and
- (b) no less than the total energy use minus 20%.

If the total energy use is more than 25 PJ, the bandwidth must be expressed as the following fraction:

$$\frac{C}{D}$$

where:

**C** is:

- (a) no less than the total energy use; and
- (b) no more than the total energy use plus 5 PJ.

**D** is:

- (a) no more than the total energy use; and
  - (b) no less than the total energy use minus 5 PJ.
- 

- |   |  |
|---|--|
| 6 | <p>The amounts of energy savings, according to whether an opportunity for the group member, or business unit, or key activity has been identified through an assessment and either:</p> <ul style="list-style-type: none"> <li>(a) is under current investigation; or</li> <li>(b) has been implemented; or</li> <li>(c) is being implemented; or</li> </ul> |
|---|--|
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**Information for report under section 22 of Act**

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| Item | Information   |
|------|---|
|      | (d) is proposed to be implemented; or<br>(e) will not be implemented.   |
| 7    | The number of opportunities mentioned in item 6.  |
| 8    | At least one example of a significant opportunity, including a brief description of the opportunity using commonly understood terminology, for improving: <ul style="list-style-type: none"> <li>(a) for the part of the controlling corporation's group to which the report relates—the energy efficiency of the group that has been mentioned in the assessment of energy efficiency opportunities; or</li> <li>(b) for each group member, or business unit, or key activity to which the report relates—energy efficiency that has been identified in the report.</li> </ul> |
| 9    | A declaration by the person mentioned in paragraph 22(4)(b) of the Act in relation to the corporation that the information included in the report is, to the best of the person's knowledge, correct and in accordance with the Act and these Regulations.  |

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**12 After subregulation 7.2(1)**

Insert:

- (1A) If a proposal to report in a bandwidth of energy use has been approved in an assessment plan, the method in the table must be used to work out what reporting bandwidth are be used for a level of actual energy use.
- (1B) If an entity departs from standard conversion methods in working out the amount of energy from an energy source, the entity must mention in its report the conversion factors that were used.

**13 Subregulation 7.2(2)**

Omit “For Schedule 4, if”, substitute “If”.

**14 Subregulation 7.2(3)**

Omit “Schedule 4A.”, substitute “the following table:”.

**15 At the end of subregulation 7.2(3)**

Add:

| <b>Information for report under section 22 of Act—new development or expansion</b> |  |
|--|--|
| <b>Item</b>  | <b>Information</b>   |
| 1  | A description of how the assessment was undertaken.  |
| 2  | <p>A description, in the form of a graph, of how anticipated and actual energy use has trended, as identified by the indicator measuring energy use, from the first design stage to when commercial operation commences.</p> <p>However, if the registered corporation does not wish to identify the indicator measuring energy use, because the data identified by the indicator is commercially sensitive, the information is a description, in the form of a graph, of percentage change in the indicator.</p> <p>If the energy use or the indicator changed at any time during 2 or more design stages:</p> <p>(a) a statement to that effect; and</p> <p>(b) a description of the change and an explanation of why the change occurred, but not including any information that is commercially sensitive.</p> |
| 3  | <p>A description of:</p> <p>(a) the leading indicators used; and</p> <p>(b) the results achieved, using the indicator, for the new development or the expansion.</p> <p>A leading indicator is an indicator of:</p> <p>(a) a system; or</p> <p>(b) people; or</p> <p>(c) a process;</p> <p>that measures the potential success of a project in relation to energy productivity. The indicator can be used to measure success throughout the design.</p>  |
| 4  | If either or both of items 2 and 3 do not adequately demonstrate the results of the assessment, the clause or clauses may be replaced by any alternative reporting method included in the approved assessment plan.  |
| 5  | One or more significant design features that have resulted in a material improvement in the energy efficiency of the new development or the expansion, but not including any information that is commercially sensitive.   |

## 16 Regulation 7.4

Repeal the regulation, substitute:

### 7.4 Time for reporting to the public

- (1) This regulation:
  - (a) sets out the time when a registered corporation must make a report prepared under section 22 of the Act available to the public; and
  - (b) is made for paragraph 22(5)(a) of the Act.

#### *Report for new development or expansion*

- (2) The time for a report for a new development or expansion is:
  - (a) no later than 12 months after the end of the financial year in which commercial operation commences; or
  - (b) if the Secretary approves—no later than 18 months after the end of the financial year in which commercial operation commences.

#### *Reports for existing facilities*

- (3) The time for a report for an existing facility is:
  - (a) for a first report:
    - (i) no later than 30 months after the start of the first assessment cycle; or
    - (ii) if the Secretary approves—no later than 36 months after the start of the first assessment cycle; or
  - (b) for each subsequent report—no later than 12 months after the last report was made available to the public.

#### *Approval for extension of time to report*

- (4) If a registered corporation wants an approval under paragraph (2)(b) or subparagraph (3)(a)(ii), the corporation must apply to the Secretary:
  - (a) in the approved form; and
  - (b) no later than 27 months after the start of the first assessment cycle.

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- (5) The application must state why the extension of time is wanted.
  - (6) The Secretary may give the approval if the Secretary is satisfied that it is appropriate, having regard to:
    - (a) the registered corporation's reporting period; and
    - (b) the object of the Act.
  - (7) The Secretary must, within 28 days after receiving the application for the approval, give the registered corporation written notice that:
    - (a) states the Secretary is:
      - (i) giving the approval; or
      - (ii) refusing to give the approval; and
    - (b) if the Secretary is refusing to give the approval—states the registered corporation may apply to the Secretary for a review of that decision.

*Review of decision to refuse approval*

- (8) If a registered corporation wants a review of a decision to refuse to give an approval under paragraph (7)(b), the corporation must apply to the Secretary:
  - (a) in the approved form; and
  - (b) within 28 days after receiving written notice under subregulation (7).
- (9) The Secretary must, within 28 days after receiving the application for a review, give the registered corporation written notice that states the Secretary has reviewed the decision and decided:
  - (a) to confirm the decision; or
  - (b) to change the decision to the decision stated in the notice.

*Combined reports*

- (10) A report for a new development or expansion and a report for an existing facility may be combined into one report.

**17 After paragraph 7.7(1)(b)**

Insert:

- (ba) a statement of the amounts of energy savings (expressed in GJ) for each group member, or each business unit, or each key activity, that:
  - (i) have been identified by the corporation; and
  - (ii) are identified per annum by a payback period of less than 2 years; and
  - (iii) are identified per annum by a payback period of at least 2 years and less than 4 years; and

## **18 At the end of regulation 7.7**

Add:

- (3) The report may contain the following information instead of the information mentioned in paragraphs (1)(a) to (c):
  - (a) a list of the top energy saving opportunities that, for each opportunity:
    - (i) describes the nature of the opportunity in detail; and
    - (ii) states the amount of energy to be saved by the opportunity, by reference to energy and energy sources mentioned in Schedule 1 of the *National Greenhouse and Energy Reporting Regulations 2008*; and
    - (iii) states whether the opportunity has been implemented, is being implemented, or is still to be implemented; and
    - (iv) states the payback period for the opportunity;
  - (b) a list of the opportunities to save energy that the corporation has identified as not to be implemented or as still under investigation for suitability for implementation that, for each opportunity:
    - (i) describes the nature of the opportunity in detail; and
    - (ii) states the amount of energy to be saved by the opportunity, by reference to energy and energy sources mentioned in Schedule 1 of the *National Greenhouse and Energy Reporting Regulations 2008*; and
    - (iii) states whether the opportunity is under investigation or is not to be implemented; and
    - (iv) states the payback period for the opportunity.



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- (4) The report need not contain the information mentioned in paragraph (1)(f) if the corporation:
- (a) advises the Secretary that the corporation has already given the information to the Clean Energy Regulator as required under section 19 of the *National Greenhouse and Energy Reporting Act 2007*; and
  - (a) gives the Secretary written permission to obtain the information from the Clean Energy Regulator.
- (5) In this regulation:
- top energy saving opportunities* means:
- (a) the 10 energy efficiency opportunities with the greatest potential for energy savings that the corporation has identified as suitable for implementation; or
  - (b) if those opportunities would represent more than 80% of the energy savings that the corporation has identified as suitable for implementation—the number of opportunities that represents at least 80% of those energy savings.

## **19 At the end of Part 9**

Add:

### **Division 3—General**

#### **9.3 Delegation**

The Secretary may, by signed instrument, delegate to an SES employee, or an acting SES employee, in the Department all or any of the Secretary's powers under these Regulations.

## **20 Before regulation 10.1**

Insert:

### **Division 1—Transitional provisions for Energy Efficiency Opportunities Amendment Regulations 2008 (No. 1)**

#### **21 Regulation 10.1**

Omit “Part” (wherever occurring), substitute “Division”.

## 22 Regulation 10.2

Omit “Part” (wherever occurring), substitute “Division”.

## 23 At the end of Part 10

Add:

### **Division 2—Transitional provisions for Energy Efficiency Opportunities Amendment (Assessments and Reporting) Regulation 2013**

#### **10.6 Assessment plans or variations**

- (1) If, before the commencement of this regulation, the Secretary has been given, but has not yet decided whether or not to approve:
  - (a) a proposed assessment plan; or
  - (b) a proposed variation of an assessment plan;the old Regulations apply to the assessment plan or varied assessment plan.
- (2) If a registered corporation’s assessment plan was approved according to the old Regulations:
  - (a) the corporation may, after the commencement of this regulation, choose to prepare any variation to the assessment plan, to the extent that the variation relates to an existing facility, in accordance with the old Regulations; and
  - (b) if the corporation does so:
    - (i) the assessment plan must state that the corporation has chosen to prepare the plan in accordance with the old Regulations; and
    - (ii) the old Regulations apply to the varied assessment plan, to the extent that the variation relates to the existing facility.
- (3) In this regulation:

***amended Regulations*** means these Regulations as in force after the commencement of this regulation.

**old Regulations** means these Regulations as in force immediately before the commencement of this regulation.

## **24 Item 206 of Part 2 of Schedule 2A**

Omit “regulation 7.6A and Schedule 4A”, substitute “subregulation 7.2(3) or regulation 7.6A”.

## **25 Item 301 of Part 3 of Schedule 2A**

Repeal the item, substitute:

301 A general explanation of how the controlling corporation intends to undertake assessments in order to meet the requirements of the Assessment Framework in the table in this item, including an explanation of how the corporation will incorporate the requirements into applicable design stages.

Note: The intention of the requirements must be applied to the new development or the expansion, from the initial concept to post-construction optimisation. Some existing systems and processes may already meet the intent of the requirements and should be used where appropriate. Some requirements will be more applicable to early design stages and others will be more applicable to later design stages. The requirements may not be applicable to some design stages such as construction and commissioning.

A registered corporation should consider how to best align the intent of these requirements, to existing design processes and stage gates, to best identify design decisions which will result in increased energy productivity.

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### **Assessment Framework for new development or expansion**

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#### **Requirement 1—Leadership**

Senior management, through visible leadership and commitment, provides clear direction and purpose to the assessment throughout the design stage through to commercial operation, which may include:

- (a) setting and communicating both feasible and aspirational target energy performance objectives for the new development or the expansion once operational; and
- (b) communicating and ensuring that assessment objectives are contributing towards business priorities; and
- (c) setting Key Performance Indicators within the design process and giving recognition for achievement of energy performance objectives and internal processes relating to energy productivity improvements.

Senior management supports, motivates and values the efforts of staff and other stakeholders (for example, project managers, design teams, equipment suppliers,

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**Assessment Framework for new development or expansion**

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engineering procurement construction management (EPCM) and operation staff) involved in the identification and implementation of energy efficiency opportunities.

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**Requirement 2—People**

Skilled and knowledgeable people, and people with direct and indirect influence on the operational energy use of the new development or the expansion through design and development decisions are involved in the assessment, these people may include:

- (a) people from the design and commissioning teams—examples may include mechanical engineers, electrical engineers, geotech scientists, planners, commissioning engineers, project managers and the like; and
- (b) the operations teams—examples may include process engineers, people from operations teams, maintenance personnel and the like; and
- (c) equipment suppliers and contractors involved in design and construction—examples may include multiple suppliers for major pieces of plant, EPC contractors, EPCM contractors; and
- (d) technical experts—examples may include internal and external technical experts, people from other similar industries who could identify a different perspective; and
- (e) finance and management personnel—examples may include accountants, business improvement staff, project and business management.

The relevant people listed above or similar relevant people are included in a process to improve the energy productivity of the new development or the expansion.

Activities undertaken to improve energy productivity may include:

- (a) utilising knowledge of existing or similar operations; and
- (b) effectively collecting and analysing energy and process data, and factors impacting on energy use, both design and operational as required; and
- (c) identifying and evaluating opportunities to reduce energy use or increase productivity relative to energy consumption; and
- (d) considering the design and optimisation from all perspectives including energy productivity; and
- (e) provide fresh perspectives; and
- (f) make the business case for identified energy productivity improvements at the design stage through to commercial operation.

Responsibilities and accountabilities are allocated and documented, and team diversity is encouraged.

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**Requirement 3—Information, data and analysis**

Predominately relating to early design stages, an analysis is conducted on the whole site which includes energy productivity, to identify a cost effective facility design

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**Assessment Framework for new development or expansion**

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from an operational and capital cost perspective. This process may include but is not limited to considering:

- (a) the requirements of the product which the facility will produce, along with the minimum inputs required to produce the product, and considering the optimum method or methods to produce that product; and
- (b) the location and arrangement of equipment to allow opportunities such as heat transfer between processes and reduced distances in bulk handling; and
- (c) one or more of:
  - (i) alternative technology choices; and
  - (ii) multiple suppliers; and
  - (iii) energy impacts of “off the shelf” equipment;
- (d) best practice equipment and operation; and
- (e) how to integrate “off the shelf” equipment.

Relating to design stages prior to construction, predicted energy data, and relating to optimisation, measured energy data, is analysed from different perspectives to understand the relationship between activity and consumption, and to identify energy efficient design features or areas to be optimised. A site wide analysis, connecting and communicating data between different operations, systems and sections of the site, and between other sites, if appropriate, is investigated.

Sufficient design data, operational data, or both, in suitable forms, is used to estimate, model and understand future and current energy use, identify and quantify energy savings and improve energy productivity. Models of the design are likely to incorporate energy mass flows or other relevant modelling tools.

Provisions are made to track performance and outcomes during operation. This may include appropriate provisions for metering to enable ongoing performance tracking and improvement of energy productivity.

Data accuracy is appropriate to the stage of the design and available data sources. The accuracy is considered when deciding the suitability of the model, assumptions and analysis to make the appropriate project choices.

Processes are put in place to ensure adequate transfer of relevant information, data and potential energy savings initiatives between different design gates through to commercial operation.

If the design involves the provision of a service, site, or supporting infrastructure that is not within the control of the registered corporation, then an investigation of the possibility of a mutual agreement with the entity providing the services, site or supporting infrastructure is conducted, so that a financial benefit can be realised, based on energy savings achieved through design or operational changes.

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**Assessment Framework for new development or expansion**

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**Requirement 4—Identification and evaluation of energy savings**

An effective process is undertaken to identify potential cost effective energy productivity improvements. This process covers all stages of the design through to commercial operation and is broad, open minded and encourages innovation.

Sufficient time is taken for the design team to understand and review the information and data from requirement 3 and the range of perspectives provided by relevant people indicated in requirement 2 to cooperatively identify and evaluate a range of ideas. Adequate time is scheduled to allow energy productivity improvements to be identified and incorporated into the design.

Relevant ideas are analysed to a sufficient level appropriate to the stage of design. The process allows design aspects that require more detailed investigation to transfer across design stages.

A whole of business evaluation is undertaken to enable decision makers to make informed business decisions about energy efficiency design.

If relevant, the design process will result in the optimum solution being identified, evaluated and included in the design without alternatives considered. This is particularly relevant for minor design aspects.

If relevant, energy impacts are included in the evaluation of “off the shelf” equipment.

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**Requirement 5—Decision making**

Management responsible for resource allocation for the development or the expansion should make informed energy efficiency decisions based on investment quality information, which may include but is not limited to data accuracy, capital costs, maintenance costs, and calculated risks. These decisions and their rationale should be recorded.

Mechanisms for reviewing, monitoring, tracking through design gates and reporting on outcomes are established to learn from experience and enable public reporting.

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**Requirement 6—Communicating outcomes**

Senior management responsible for the new development or the expansion is aware of the outcomes of the assessment in a strategic business context (including the corporation’s risk management, corporate social responsibility, major investment decisions and energy productivity). Senior management is made aware of capital and operational cost savings as a result of the assessment.

The board reviews and notes the content for the registered corporation’s public report in the context of relevant business information.

Relevant outcomes of each stage of design or development are communicated to the design team indicating what decisions were made and why.

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**Assessment Framework for new development or expansion**

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If relevant, achievements in relation to any objectives identified in requirement 1 that were set by the design teams, relevant stakeholders, government and senior management responsible for the development or the expansion are communicated.

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**26 Item 404 of Part 4 of Schedule 2A**

Omit “regulation 7.6A or Schedule 4A”, substitute “subregulation 7.2(3) or regulation 7.6A”.

**27 Paragraph 305(a) of Part 3 of Schedule 3**

Repeal the paragraph, substitute:

- (a) stating how the controlling corporation intends to undertake assessments in order to meet the requirements of the Assessment Framework in the table in this item, including an explanation of what actions the corporation intends to take to meet those requirements; and
- (ab) if the actions that the corporation intends to take to meet a particular requirement of the Assessment Framework do not include the actions (the *specified actions*) specified for that requirement:
  - (i) a statement to that effect; and
  - (ii) an explanation of why it is not appropriate or reasonable for the group, or a part of the group, to take the specified actions to meet the requirement; and
  - (iii) an explanation of how the actions that the corporation intends to take will meet the requirement; and

**28 At the end of item 305 of Part 3 of Schedule 3**

Add:

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**Assessment Framework**

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**Requirement 1—Leadership**

Senior management, through visible leadership and commitment, provides clear direction and purpose to the assessment by:

- (a) setting and communicating energy performance objectives; and
- (b) ensuring that assessment objectives are aligned with business priorities.

Senior management supports, motivates and values the efforts of staff and other stakeholders involved in the identification and implementation of energy efficiency opportunities.

**Actions**

- 1.1 Senior management establishes and communicates energy assessment and energy performance objectives to all personnel who are responsible for, or have an influence on, energy use and the energy assessment.
  - 1.2 Resources (people, time and money) are made available to meet energy assessment and energy performance objectives.
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**Requirement 2—People**

Skilled and knowledgeable people, and people with direct and indirect influence on energy use, are involved in the assessment to effectively collect and analyse energy and process data, identify and evaluate energy efficiency opportunities, give fresh perspectives and make the business case for identified energy efficiency opportunities.

Responsibilities and accountabilities are allocated and documented, and team diversity is encouraged.

**Actions**

- 2.1 Involve a broad cross-section of people in the collection and analysis of energy and process data, and the energy efficiency opportunity identification, evaluation and business case development process, including:
    - (a) people from various levels of the site or business unit who have a direct or indirect influence on energy use (such as site or fleet managers, operators, sub-contractors, tenants or people responsible for equipment procurement, maintenance, finance, marketing or production); and
    - (b) people from within the corporation who can integrate energy productivity into business objectives and assist with making a business case for identified opportunities (such as the chief financial officer, business case analysts, business or process improvement managers or people responsible for procurement, corporate and operations management, public relations, strategic planning or operational excellence); and
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- (c) people with energy, technology and process expertise (such as suppliers of current and alternative equipment and technologies, systems modelling experts or engineers); and
  - (d) people external to the site who can give alternative perspectives, question assumptions and practices, and encourage innovation (such as operators from other sites, corporate expert groups, internal or external engineering experts, academics or PhD students).
- 2.2 Allocate clear roles, responsibilities and accountabilities to people who are involved in the assessment and the business response, and document this information.
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**Requirement 3—Information, data and analysis**

Sufficient data, in suitable forms, is used to quantify and understand energy use, identify and quantify energy saving opportunities, and track performance and outcomes (where actions are implemented).

Energy data is analysed from different perspectives to understand relationships between activity and consumption, and identify energy efficiency opportunities.

**Actions**

- 3.1 Identify and document business contextual information that influences energy use and returns on energy efficiency investments, for use during the assessment, including information about:
- (a) key business priorities and plans affecting investment timing and returns (such as relocation, expansion, site and equipment replacement, maintenance and shutdown schedules, or key contractual constraints); and
  - (b) other external factors affecting investment returns (such as market factors, rising energy prices or interest rates) if applicable.
- 3.2 Identify, document and implement in-depth data collection and analysis processes, including:
- (a) the collection of energy consumption and associated cost data for key processes, systems or activities over a period of at least 24 months, to an accuracy level of  $\pm 5\%$  (or another accuracy level approved in the assessment plan), and analysis of that data to determine variations in energy use over time; and
  - (b) the collection and analysis of production or activity data (such as outputs, distance hauled, material excavated or square metres of floor space), to allow for the development of energy use performance indicators, at the appropriate level, with consideration of variations over time; and
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- (c) the collection and analysis of data for other process factors that impact on energy use (such as ambient temperature, geology (mining) or production inputs) to determine the impact of these factors on energy use; and
  - (d) the collection and analysis of data for the energy and material flows associated with key processes, systems and activities, to systematically and rigorously quantify where energy is being used, transformed, wasted or lost; and
  - (e) the comparison of performance to actual or theoretical energy use benchmarks, at the relevant level (process, technology, activity or site) to identify potential inefficiencies and opportunities; and
  - (f) the development and documentation of measures to ensure the accuracy and completeness of energy data and resolve any material data gaps.
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**Requirement 4—Opportunity identification and evaluation**

An effective process is undertaken to identify all potential cost-effective energy efficiency opportunities. The process is to be informed by the accurate data collection and rigorous analysis undertaken in requirement 3 and involve the relevant people identified in requirement 2. This process is broad, open-minded and encourages innovation.

Ideas are filtered to identify a documented list of potential opportunities that can then be analysed to a level sufficient for informed evaluation with a payback period of 4 years or less.

A whole-of-business evaluation is undertaken to enable decision-makers to make informed business decisions about energy efficiency opportunities.

**Actions**

- 4.1 Undertake a process to identify ideas to improve energy efficiency. The process should note the business contextual information and review the data that is collected and analysed as part of requirement 3, and include the appropriate people as stipulated in requirement 2. The process should result in a comprehensive list of ideas, which are then documented.
- 4.2 Examine ideas to determine if they are feasible.  
Categorise ideas deemed to be feasible as either for implementation or for further investigation. Feasible ideas categorised as being for implementation need not be evaluated to a high level of accuracy, if they have immediate business benefits or do not warrant detailed investigation. Feasible ideas categorised as for further investigation are potential opportunities that need to be examined in accordance with action 4.3.  
Categorise ideas not deemed feasible as being not for implementation.

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- Document reasons for the categorisation of all identified ideas (both feasible and not feasible).
- 4.3 Undertake a detailed whole-of-business evaluation that considers benefits beyond just energy savings (such as benefits relating to maintenance, production, or occupational health and safety) to:
- (a) determine the costs and benefits for the potential opportunities from action 4.2; and
  - (b) calculate a payback period; and
  - (c) identify a list of opportunities with a payback of 4 years or less.
- The evaluation of potential opportunities should be to an accuracy that is commensurate with the size of the financial investment associated with implementation. The evaluation process should be clearly documented and give decision makers credible information on which to base investment decisions. Detailed evaluation to reach an appropriate accuracy is not required for those ideas for which it can be shown that a payback period of less than 4 years is not possible, or those that prove to be infeasible for technical, safety or other genuine reasons.
- 4.4 After the evaluation of feasible ideas and potential opportunities, prepare recommendations for the decision-makers who are responsible for resource allocation and financial investment. The recommendations should be based on appropriate business criteria and include whether identified opportunities should undergo further investigation, be implemented, or not be implemented.
- Document reasons for not pursuing opportunities.

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**Requirement 5—Decision making**

Management that is responsible for decisions about financial investment and the allocation of resources for the opportunities that are identified by the assessments makes informed decisions on the assessment based on quality information.

The corporation develops clear lines of accountability, appropriate resources and timeframes for all energy efficiency opportunities that the corporation decides to implement or investigate further.

Mechanisms for reviewing, monitoring and reporting on outcomes are established, to learn from experience and enable public reporting.

**Actions**

- 5.1 Give management the recommendations resulting from the assessment, as prepared in action 4.4, and the necessary contextual information, such as:
- (a) total energy use and energy cost relative to variable operating costs and

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- profit for the manager's area of responsibility; or
- (b) energy savings identified for each opportunity; or
- (c) the impact that identified opportunities are expected to have on productivity and overall energy costs; or
- (d) the total quantifiable costs and benefits, including a payback period, for each opportunity; or
- (e) the business recommendation for each opportunity; or
- (f) recommendations to improve data and evaluation accuracy (if necessary).

This information will allow management to decide the business response to the assessment, including the opportunities that are to be implemented, investigated further (including improvements in data and evaluation accuracy), or not implemented.

- 5.2 Establish arrangements to implement the business response, including:
- (a) allocation of timelines, resources and accountabilities covering all energy efficiency opportunities that the corporation decides to implement or investigate further; and
  - (b) a process for reviewing and monitoring to learn from experience.

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**Requirement 6—Communicating outcomes**

Senior management and members of the board are made aware of the outcomes of the assessment in a strategic business context (including the corporation's risk management, corporate social responsibility and major investment decisions).

The board reviews and notes the information on assessment outcomes that will be made public in the context of relevant business information.

Recognition and awareness is raised within the corporation of the benefits of improved energy efficiency and the outcomes achieved by the assessment, including recognition and awareness of people who contributed to its success.

**Actions**

- 6.1 Present the board with information relating to the corporation's energy performance, for each relevant business unit or key activity. This information is to be informed by the outcomes of the assessment and include:
- (a) total energy use; and
  - (b) total cost of energy, relative to operating costs and profit; and
  - (c) total energy and cost savings identified from the assessment and the business's response, in the context of the energy performance objectives set in requirement 1.

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- 6.2 The board reviews and notes the information presented in action 6.1 and the information on assessment outcomes that will be made public.
- 6.3 Senior management communicates a clear message about the outcomes of the assessments, in the context of the objectives set by the organisation's leadership, to relevant staff and those involved with the assessment.
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**29 Item 402 of Part 4 of Schedule 3**

Omit "item 2 of Schedule 4" (wherever occurring), substitute "item 4 of the table in subregulation 7.2(1)".

**30 Item 403 of Part 4 of Schedule 3 (note 2)**

Omit "(mentioned in regulation 6.1)".

**31 Schedules 4, 4A, 6 and 7**

Repeal the Schedules.