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ABN 93 197 662 296

14 October 2020

To whom it may concern,

**RE: Retailer Energy Productivity Scheme Consultation**

The South Australian Council of Social Services (SACOSS) is the peak body for the community services sector in South Australia, with an interest in the efficient delivery of essential services to communities across the state. We thank the Department for Energy and Mining for the opportunity to provide further input to the consultation paper on the proposed Retailer Energy Productivity Scheme (REPS) activities, credits and targets.

SACOSS appreciates that the DEM have considered feedback provided as part of the previous consultation in July 2020 to retain top up ceiling insulation as an eligible activity and other activities for deeper retrofits to priority households such as secondary glazing (BS3B), building sealing activities (BS2), appliance upgrades (APP1A, APP1B, APP1D, APP2 & APP3), efficient heating and cooling (HC2A & HC2B) and water heater upgrades (WH1). We support the requirement that retailers meet a minimum of 50 percent of the priority group target through eligible activities as noted above and believe that this will assist in maintaining thermal comfort for people, and has the potential to lower electricity costs for priority households.

In relation to the consultation questions, we just have a few comments for consideration. On the whole we believe that the activities listed are appropriate to deliver the outcomes that the DEM is seeking as noted in Appendix 1 to reduce household or business end use consumption and energy costs. The inclusion of activities that are intended to provide broader energy market benefits such as reduction of wholesale and network costs and improved system security is also supported if they do indeed have the intended effect. We recommend that a review of the activities under the REPS is undertaken after two years to determine if the activities included assist in reducing wholesale and network costs and aid in system security. It is also suggested that any review includes a summary of the main activities incentivised through the REPS and adjustments are made if necessary to ensure uptake of other beneficial activities through the program.

SACOSS is also pleased to see that the DEM have included the switching of electric storage water heaters to off peak controlled load or the solar sponge tariff (WH3). We are not sure however if this would also require households who undertake this activity to also switch their electricity plan from the single rate to the time of use tariff (TOU1). As water heating is a significant cost for household energy, this would appear to be beneficial if households could also shift some of their energy use to avoid peak pricing. This may be considered double counting, as raised in the consultation paper, however SACOSS does not believe this should be restricted as households are more likely to realise lower bills by shifting their hot water use to a solar sponge tariff. As noted in our previous submission on the REPS<sup>1</sup>, we do however believe that the

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<sup>1</sup> SACOSS (2020) Submission on the consultation for the Retailer Energy Productivity Scheme  
[https://www.sacoss.org.au/sites/default/files/public/220720\\_REPS%20Consultation.pdf](https://www.sacoss.org.au/sites/default/files/public/220720_REPS%20Consultation.pdf)

inclusion of a new battery to a Virtual Power Plant (VPP) aggregator under the REPS may be a double subsidy if the householder also claims a subsidy through the Home Battery Scheme.

In relation to switching to the controlled load, solar sponge and time of use tariff (WH3 & TOU1) for residential and small businesses, SACOSS does not have a strong opinion on whether this should also be available to SME and commercial enterprises. However, we suggest that it remains available for residential and small businesses at this stage and reviewed within two years to assess if benefits have been realised. If there is a case for further peak demand reductions and a low uptake from residential and small businesses, then SME and commercial enterprises should be considered for inclusion, however not at the expense of the uptake of activities that would benefit priority households and residential customers.

SACOSS also reiterates comments made in our previous submission on time of use tariffs.<sup>2</sup> We suggest that the DEM undertakes social research in collaboration with not for profit, university and community organisations to understand social practices and ensure the benefits of time of use tariffs are realised, particularly for priority group households. Much of the literature points to limited benefits that can be achieved through time of use tariffs, therefore having practical research and knowledge undertaken on this issue in SA is critical to enable active contributions from people and to understand the limitations and potential benefits for households. This could be enabled through the REPS if households wish to participate in social research when switching to a time of use tariff under the scheme. This social practice research could then assist in any review of this activity to ensure that outcomes are realised for households and broader energy market benefits are achieved.

Thank you in advance for consideration of our submission. If you have any questions in relation to this submission, please contact Maureen Boyle at [maureen@sacoss.org.au](mailto:maureen@sacoss.org.au) or 8305 4233.

Yours sincerely,



Ross Womersley  
Chief Executive Officer

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<sup>2</sup> SACOSS (2020) Submission on proposed tariffs to incentivise energy use in low demand periods in SA  
[https://www.sacoss.org.au/sites/default/files/public/090720\\_SACOSS%20submission\\_TOU%20tariffs.pdf](https://www.sacoss.org.au/sites/default/files/public/090720_SACOSS%20submission_TOU%20tariffs.pdf)