

Mr Andrew Buchel
Products and Standards Manager
National Australian Built Environment Rating System (NABERS)
By email to: andrew.buchel@environment.nsw.gov.au

11 May 2020

Re: Managing impacts of COVID-19 on NABERS ratings consultation paper

Dear Mr Buchel,

Please see below for responses from the Energy Efficiency Council (EEC) to the Consultation Paper regarding managing impacts of COVID-19 on NABERS ratings.

Energy & Water Ratings

3.1 Proposal 1

1. Do you support the proposed solution of developing a 'normalising factor'?

The Energy Efficiency Council does not support the proposed solution of developing a 'normalising factor' at this time.

The impacts of COVID-19 appear to be spread relatively evenly across the office sector. While particular circumstances and tenant responses will vary, in broad terms the entire market is subject to the impact of COVID-19. This broadscale market impact substantially decreases the need for intervention.

Where buildings see an increase in their NABERS Energy rating due to lower energy use during the lockdown period, this change will likely be short lived. While this increase could be framed as a one-off 'windfall gain', in reality this is NABERS operating as designed: reflecting the many internal and external factors that influence a building's performance.

Interestingly, a number of EEC members indicated that the brief experience of a higher NABERS Energy rating may well motivate building owners and managers to invest in additional energy efficiency measures to maintain the increased rating.

By contrast a normalising factor could introduce complexity and even confusion among NABERS' many stakeholders, and is unlikely to have even impacts across buildings. This may result in some buildings receiving a lower rating due to the proposed normalising factor itself, which would be a poor – and controversial – outcome.

EEC members also expressed concerns around limited availability of data and the time required to create a normalising factor. In our view, 30 June 2020 is both not enough time to gather the data necessary to develop a defensible normalising factor, and too long for the market to operate in a period of uncertainty.

Finally, introduction of a normalising factor at this stage would create a precedent, potentially strengthening calls for use of such a factor in other circumstances. A normalising factor has not been

used in the past, which means that there should be a high bar for introducing a normalising factor. There is currently insufficient information to suggest that a normalising factor is necessary or desirable in response to COVID-19.

However, the EEC does recommend that the NABERS Administrator continue to gather data on the impacts of COVID-19 on NABERS ratings. Additional data over the coming months will help to determine if any changes need to be made to the NABERS program and, if so, what form these changes should take.

2. If not, which of the above alternative proposals would you support?

The EEC does not support either of the alternative proposals. We recommend that NABERS ratings should be undertaken as normal for the time being while data is collected to determine if there are significant enough impacts to warrant making adjustments in the coming months.

3. Are there any further alternative methods that NABERS should consider?

The EEC recommends continuing with NABERS ratings as normal. There is still significant energy saving potential during this time, and changes to the calculation of ratings may undermine the efforts of building managers to save energy over this period.

However, NABERS should work with assessors to undertake additional data collection during this period, both on operational and occupancy changes. Continued data collection will allow NABERS to determine the actual effects of the lockdown and post-lockdown period; if substantial unforeseen effects are identified, this could inform further action.

3.2 Proposal 2: Temporary extension of rating lodgement date

1. Do you support the proposed solution of implementing a temporary moratorium on consumption data post-March 2020?

The EEC is agnostic on a moratorium on consumption data. If NABERS adopts a conservative approach and implements none of the proposals canvassed under Proposal 1, a temporary moratorium should be unnecessary. However, the EEC recognises the imperative for NABERS to 'buy some time' to determine the best pathway forward.

If a moratorium is implemented, it should begin no earlier than 1 April 2020. A March 1 start date would necessitate NABERS assessors to revisit ratings that are already in train, creating additional work for limited benefit. The effects of COVID-19 on buildings and occupancy only began in the last two weeks of March, and NABERS ratings are based on 12 months of data. As a result, the impact of COVID-19 in March on NABERS Energy ratings will be negligible.

2. Will the above proposal be of assistance to Assessors in managing their upcoming rating application deadlines and workflows?

The above proposal will not be of assistance to assessors; the most straightforward result for assessors is to undertake ratings as normal.

3.3 Proposal 3: Rated hours via OTAs and comfort conditions

- 1. Which of the above two proposals should the NABERS team incorporate for those sites affected by COVID-19?**
- 2. For option a) above, what would be an appropriate temperature band for 'comfort conditions'?**
- 3. Is there a more appropriate solution to the issue above that the NABERS team should consider?**

At this time the EEC does not have a position on these issues. However, if HVAC systems in a building are still running, it is not immediately clear why a lower level of occupancy would mean comfort conditions are not able to be met. If a building's HVAC and control systems are not delivering comfort levels at lower occupancy levels, building occupants will deliver robust feedback directly to building owners and managers. NABERS Energy ratings have always focussed on benchmarked energy intensity ratings, based on the well-founded assumption that building owners have a strong separate incentive to meet tenants' comfort requirements.

4.1 Proposal 4: Accounting for changes to Carbon dioxide (CO₂) and Particulate Matter (PM₁₀) in Base Building IE ratings

- 1. Are there any other IE parameters that this proposal should apply to?**
- 2. When comparing current spot measurements with the previous year's measurements, what should the deviation limit that would trigger use of the previous measurement be? For example, should it be 5 %, 10 % or 20 %?**
- 3. Are there any other substantial changes not yet listed which could preclude use of this proposal?**
- 4. Are there any issues with using the 50th percentile benchmark values for situations where the spot measurement of the previous year is not available, or where there have been substantial changes?**
- 5. Other**

At this time the EEC does not have a position on these matters.

4.2 Proposal 5: Annual temperature data

- 1. Do you support the proposed solution of developing a 'normalising factor'?**
- 2. If not, which of the above two alternative proposals would you support?**
- 3. Are there other alternative solutions to the issue above that the NABERS team should consider?**

The EEC does not support development normalising factors – see response at 3.1.

5.1 Proposal 6: Ratings for Commitment Agreements

- 1. Do you agree with this proposal?**
- 2. If not, what are your concerns with the proposal?**

See response at 3.2.

6 Other feedback

In summary, the EEC recommends not making any adjustments to NABERS Energy ratings at this time. However, our consultation with energy experts revealed two other issues that do require attention:

- The immediate concern for Assessors is the methodology that they should use to determine occupancy for ratings undertaken during lockdown or reduced occupancy post-lockdown. The current NABERS rules are not detailed enough for making a determination on this issue under current conditions.
- Separately, assessors also requested clarification of the exact type of occupancy data NABERS is looking for assessors to collect as part of its 'Request for Data' (Section 2.2). A template or questionnaire which standardised this process – to the degree possible – would be helpful.

If you have any questions, please contact me directly at rob.murray-leach@eec.org.au or on 0414 065 556.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Rob Murray-Leach', with a stylized flourish at the end.

Rob Murray-Leach

Head of Policy