Submission for Treasury Laws Amendment (Measures 4 for Consultation) Bill 2023: Small 5 business energy incentive.

Name: Stephen Hunter (Managing Director)

Business: Appliancepro Pty Limited (ABN: 60 193 357 397)

Address: Unit 3, 8 Torca Terrace, Mornington Victoria 3931

The purpose of our submission is to propose wording change to the legislation that clearly allows the total asset value to be calculated as the sum of hardware, installation & necessary software. (where other criteria is met).

Given our product does provide good energy savings by enhancing efficiency of any split system type air conditioner, we believe that it does satisfy the product requirement, however when deployed in fleet situations additional software is required to allow easy control, I seek clarification that additional software costs will be counted into the value of the asset. Eg: asset value = hardware + installation + software

As our first submission of this type, I thank you in advance for understanding our L plates.

Background & Efficiency

Our company markets a range of products that enables (electric) energy efficiency improvement for split-system type air conditioners.

The combined potential for the Small business Energy Incentive program is enormous, in fact it could be the highest overall efficiency contributor to the program as it is easily adapted by a large portion of Australian small business's that utilise this *very popular* type of air conditioner. The average Australian understands that of all appliances the air conditioner is the devil in the pack, the savings alone from automating off times makes it low hanging savings.

The product.

The product is a Wi-Fi smart thermostat device that works with any split system type air conditioner with a remote control. It can be retrofit to models old & new.

The product is sold in two versions:

1. Stand alone device for small scale deployments (typically 1 – 15 units). For example; a hair dressing salon with two air conditioners
2. As a fleet management system used to control large numbers of air conditioners across multiple locations. **This product requires additional software** for ease of control (without the software the product does not work). An example of a fleet would be a dental practice with three different locations each with 10 air conditioners.

Adoption potential to SME's

We estimate that there are around 4.5 million split system air conditioners currently installed in SME business's around Australia at present.

60-70% of SME's premises are rental / leased - typically landlords will not upgrade air conditioners unless they break down completely.

On the smaller end of the SME scale, many business will struggle to find any energy efficient upgrades outside of their air conditioning.

We would estimate that 50% of split system air conditioners are aged between 15-30 years old. These are very inefficient but unlikely to be replaced by a landlord.

One of the biggest frustrations of SME's is air conditioners left on for long periods. It is reported by X that waste from air conditioners left on amounts to x (see appendix a)

"I'm sick & tired of coming in on a Monday morning and 5 air cons have run all weekend"

Our smart thermostats retrofit to old (and new) devices and are transferrable; a small business that relocates can take & use the smart thermostat asset at new premises.

Energy saving features of Smart Thermostats

a. Stand-alone smart thermostat devices

Our smart thermostat can improve energy efficiency in a number of ways:

1. 7 day schedule (set daily off times for each air conditioner)
2. Geofencing – turn unit off based on staff location eg: when everyone leaves air conditioner automatically turns off.
3. Filter Clean reminders – clogged filters cause a minimum 10% additional running cost
4. Set actions based on room temperature eg. Only start cooling when room gets to a certain temperature
5. Restrict allowed temperature settings eg. Block cooling below 21 degrees
6. Auto off after user set run time
7. Control from anywhere using smart phone.
8. Efficiency notifications eg. Phone notification advising outdoor temperature has dropped
9. Usage statistics – compare with previous year & months; run time + savings events compared with other local air conditioners and previous year
10. Anomaly detection eg: notifies that a window might be open
11. Ai generated schedule and setting recommendations.
12. Demand response ready

b. Fleet management product (called Air Bend)
   Utilises the same stand alone devices above with the addition of:
   1. Central control software for the fleet of smart thermostats deployed

2. Ability to create schedules for portions of the entire fleet eg. Turn off administration office air conditioners at 4:00pm, turn off all warehouse air conditioners at 5:00pm
3. Ability to set actions based on room temperature

We welcome any feedback or further queries via the business contacts at the start of our submission.