



Response to audience questions

26 September 2024

Responses to questions not answered during the 2024 Stakeholder Forum are provided below. For all other questions, see the recordings of the [2024 Stakeholder Forum](#) sessions on our website.

IPART responses

Becoming accredited

Does accreditation date apply from the application date, or from the accreditation date?

Your accreditation as an Accredited Certificate Provider (**ACP**) applies from the accreditation date specified in your accreditation notice, not from the application date.

What is the difference between applying to become an ACP and applying for product acceptance?

An ACP can create certificates for the scheme under which they are accredited. Visit our website to find out more about [Becoming an ACP](#) in the ESS or [Becoming an ACP in the PDRS](#).

For certain activities (water heaters, lighting equipment and chimney dampers) IPART must accept equipment before it can be used under the Safeguard. For those activities, ACPs must use products from our [Accepted Products List](#).

Visit our [Product Acceptance](#) page for more information.

IPART doesn't accept batteries for use in the PDRS. Batteries need to be listed on the Clean Energy Council's [approved batteries list](#), and meet additional capacity, warranty and connection requirements. Battery equipment requirements are set out in clauses 8 and 9 and Activity Definitions BESS1 and BESS2 of the [PDRS Rule](#).

IPART acknowledges the Traditional Custodians of the lands where we work and live. We pay respect to Elders both past and present. We recognise the unique cultural and spiritual relationship and celebrate the contributions of First Nations peoples.

IPART regulatory approach

How will IPART regulate ACPs to minimise misconduct or non-compliance, especially for batteries and heat pump water heaters?

Heat pump water heater and battery activities are a [compliance priority](#) for 2024-25. We are working closely with Building Commission NSW to address poor quality installation of heat pump water heaters and improve installation standards and compliance with licensing requirements.

We have worked closely with the NSW Department of Climate Change, Energy, the Environment and Water (**DCCEEW**) to develop a strong regulatory framework for batteries. We will continue developing our regulatory approach, working with industry and responding to misconduct or non-compliance as it occurs.

How will IPART ensure that regulation of new activities won't impose an unnecessary burden?

We take a risk-based approach to compliance that targets resources to the areas of greatest risk. We also consult with ACPs and industry when making significant changes to our guidance and processes that affect stakeholders. We use feedback to make informed decisions.

The compliance framework for batteries has been developed in consultation with DCCEEW, other regulators and stakeholders (including [consulting](#) on evidence requirements for battery activities and our draft PDRS Method Guide in June 2024).

Certificate market

Does IPART have the authority to increase demand for certificates to help increase certificate prices? What is IPART's strategy to increase the ESC spot price?

No, IPART does not have the authority to change certificate demand. IPART does not have any power to control certificate prices and is not involved in market transactions or negotiations.

Battery questions

Battery requirements for BESS1 (installation of a battery energy storage system) and BESS2 (signing up a battery to a VPP contract) are set out in clauses 8 and 9, and Activity Definitions BESS1 and BESS2 of the [PDRS Rule](#). Further information, including examples of evidence that can be collected to demonstrate meeting those requirements, can be found in the [PDRS Method Guide](#).

How many batteries can I install?

Multiple batteries installed together as a single 'battery energy storage system' are eligible under the PDRS provided the system meets all relevant requirements (including having a capacity less than 28 kWh). See chapter 5 of the [PDRS Method Guide](#) for details.

Do you have to have a solar PV installed already to qualify for BESS1? Is it possible to get both solar PV and battery installed at the same time and still qualify for the benefits?

The site must have a solar PV system installed to be eligible. The Eligibility Requirements for the relevant Activity Definition are met immediately prior to the Implementation Date.

What are the updated criteria for battery eligibility under the PDRS?

The PDRS Rule was amended on 13 September 2024. See our [PDRS Rule](#) page and the corresponding [Quick Reference Guide](#) for details of those changes.

Can I have a customer sign up and order a battery now and still qualify as a new install under the PDRS?

Batteries under BESS1 must be installed on or after 1 November 2024 to be eligible. Demand response contracts under BESS2 must be signed by the customer on or after 1 November 2024. Other requirements also apply, including a requirement that the [BESS1 fact sheet](#) or [BESS2 fact sheet](#) be provided upon quotation.

How do ACPs collect photo evidence for BESS2-only implementations?

Table B.8 of the PDRS Method Guide contains examples of evidence that may prove the requirement is met.

When will fact sheets be published? Solar companies already quoting, how will IPART deal with them?

The [BESS1 fact sheet](#) and [BESS2 fact sheet](#) have now been published. ACPs must demonstrate at audit that the relevant fact sheet was provided upon quotation for an implementation to be eligible for certificate creation.

How many installations can be done in a day?

The PDRS does not directly impose a limit on the number of installations. However, implementations must comply with requirements set by other legislation, standards and accreditation bodies, including Solar Accreditation Australia.

Battery installers

Do installers have any obligations when working with an ACP?

Installers must comply with all relevant legislation and industry standards. Your ACP may also require you to meet other requirements, follow its processes and procedures or collect certain evidence to demonstrate scheme requirements have been met. Speak to your ACP to find out more.

Could we expect more educational material for battery installation to educate the market.

DCCEEW hosted a Battery Implementation Webinar on 14 October covering compliance obligations that apply to battery installers. IPART presented on PDRS requirements. You can [register to access the video on demand](#) here.

Co-payments

Can a financial service like Zip Pay, which requires payments during and at the end of the term, be considered a co-payment under ESS/PDRS?

ACPs and their representative must only use payment arrangements that meet the minimum co-payment requirement. The simplest way to evidence a co-payment is to secure a payment or deposit equal to or greater than the co-payment that is not subject to any finance arrangement. The co-payment must be paid before the ACP registers certificates. Pay later arrangements that allow payment of the co-payment after this date will not evidence the co-payment requirement being met.

Collecting and providing data

What is the monthly implementation data requirement?

For battery activities ACPs must provide their monthly implementation data to us by the 15th day of the next month. The data that must be provided is the same data provided when registering certificates –see our [Uploading implementation data to TESSA](#) webpage for details.

You do not need to provide any other documents or evidence with your monthly implementation data, but you may be required to provide documents or evidence if requested by the Scheme Administrator.

Refer to section 8.5 of the [PDRS Method Guide](#) for more information.

Do I need to register PRCs within a month of the implementation?

No, you can register certificates until the annual [deadline to create PRCs](#) (30 September).

Will the Implementation example CSV be updated?

Our updated CSV examples templates and guide is now available on our [Uploading implementation data to TESSA](#) webpage.

How are ACPs required to round their certificate calculations?

When you apply to register PRCs you will need to provide your Peak Demand Reduction Capacity in kW rounded to 2 decimal places. TESSA will then automatically round down the Peak Demand Reduction Capacity (as adjusted by the Network Loss Factor) and calculate the number of certificates. See section 10.2.1 of the [PDRS Method Guide](#) for more details about registering certificates.

Does IPART have plans to:

- **streamline the certificate registration payment process?**
- **increase the 20,000-implementation data download limit from the TESSA lists?**

IPART is invested in the continuous improvement of TESSA and maintains a pipeline of future improvements. We welcome feedback on TESSA and will consider any feedback received for inclusion in this pipeline.

Audits

Can you explain the differences between pre-registration and periodic audits?

ACPs must undertake audits as a condition of accreditation:

- Pre-registration audit conditions require the ACP to conduct an audit before they register certificates. The ACP can only create audited certificates. We do not limit the number of audited certificates the ACP can create.
- Periodic audit conditions set out the maximum time that can pass between audits of an accreditation – usually every 12 months. The ACP can create both unaudited and audited certificates. We usually limit the number of unaudited certificates the ACP can create between audits.

See section 3.4 of our [Application for Accreditation Guide](#) for more details.

Are auditors expected to audit against the Rule only, or also against the *Home Building Act 1989*?

Auditors provide assurance that implementations, their corresponding evidence, and the processes used to gather that evidence collectively meet the requirements of the schemes. Activities are only Recognised Energy Savings Activities (ESS) or Recognised Peak Activities (PDRS) if they are lawful in New South Wales. Auditors check that relevant legislation and standards are complied with.

We have published audit scopes on our website, including for new battery activities. The Scheme Administrator refers suspected breaches of the *Home Building Act 1989* to the Building Commission, and it may investigate or take further action.

See our [Auditing ESS ACPs](#) and [Auditing PDRS ACPs](#) webpages for more details.

Department of Climate Change, Energy, the Environment and Water responses

How will the new Home Energy Saver program affect activities under the NSW Energy Security Safeguard?

The Home Energy Saver Program will be designed in a way that compliments and, where possible, leverages the NSW Energy Security Safeguard.

How does the Consumer Energy Strategy help consumers in addressing electrical defects or safety issues that prevent the installation of smart meters e.g. if a customer's wiring board is non-compliant & requires an upgrade?

NSW will consider opportunities to support households who require financial assistance to ensure electrical compliance, such as the installation of a smart meter, as part of the detailed program design from the Home Energy Saver Program.

How do DCCEEW select who they do targeted consultation with for Rule reviews? How can an organisation get involved with these consultations?

We select organisations based on the information we need to assess with a public consultation. Targeted consultations often don't even relate to incentives, they usually focus on topics like understanding; how products are sold, what affects consumer decisions, regulatory requirements, risks etc.

If you'd like to discuss specific issues with the Department, you can email us at: sustainability@environment.nsw.gov.au

With 90% of ESCs created now for commercial and industrial sites, and residential account holders still paying for the scheme, are equity concerns with the scheme being looked at?

The Government intends to use the 2025 Statutory Review of the Energy Savings Scheme to consider scheme reform opportunities. In August 2024, the Government consulted on issues and opportunities that reforms could address. The Government is assessing consultation feedback to scope potential reform opportunities. This may include a focus on equity and the distribution of scheme costs and benefits.

What do you believe is the best way to educate installers, considering their crucial role in the ESS?

Accredited Certificate Providers provide training for installers that want to work with them to implement upgrades under the Safeguard. Both IPART and the Department also run webinars, forums and produce guidance material for industry.

If people can see a specific knowledge gap amongst installers, we'd be happy to look at developing materials or running training. Please contact us at: sustainability@environment.nsw.gov.au

The ESC price is very low, making the development of projects less attractive. STCs are reviewed annually, and their generation targets are changed whenever required. Do we have any such setup in ESCs and PRCs? Will the Department alter the demand side (i.e. scheme participant liability) to reduce the liquidity in the market?

The Electricity Supply Act provides conditions under which scheme targets may be changed. These include changes in market conditions or because of an oversupply or undersupply of certificates. The 2025 statutory reviews of the ESS and PDRS provide a strong opportunity for Government to consider any changes to scheme targets.

Building Management Systems (BMS) can reduce the overall power consumption of a building by up to 40% for air conditioning, fans and other devices. Can we use a BMS to generate ESCs?

There are a range of measurement and verification options that may suit this type of project depending on its size. It's best to speak to an Accredited Certificate Provider that is accredited for the Project Impact Assessment with Measurement and Verification (PIAM&V) Method.

Have IPART or DCCEEW considered additional incentives for activities that switch from gas to electricity? Has there been consideration for additional incentives for degassification?

The Department is currently considering whether the way that the non-renewable primary energy factor is derived is appropriate. This review could result in an increase in this factor leading to higher incentives for electrification projects.

Any consideration about connecting EV batteries to household supply?

Yes, however the technology, regulatory framework and commercial models aren't mature enough to make it suitable for a scheme incentive.

Why was RFS delayed?

The Department intends to lodge legislative amendment so the scheme can commence in January 2026. The scheme will be delayed to align with eligible green hydrogen production in NSW. This will help drive an effective market for RFS certificates and meet the policy intent.

Hydrogen as a transport fuel is increasingly seen as a poor choice. Will the Renewable Fuel Scheme expand to include advanced biofuels, such as Renewable Diesel?

The NSW Government is developing a new renewable fuel strategy for NSW. The expansion of the Renewable Fuel Scheme to other renewable fuels like Renewable Diesel, is being considered as part of this wider strategy development.

Will the C&I heat pump activity (F16/F17) be reviewed for product performance testing, application real savings vs deemed savings?

Yes, the modelling is under ongoing review and adjustment will likely need to be made to account for inflated savings estimates.

Many sellers of heat pumps have only been in the market for months and with products without a minimum energy performance standard. If they choose to leave the industry, who will honour warranty?

The Department is working with other jurisdictions to ensure that warranty requirements under the scheme are appropriate.

What is the expected forecast of battery installations BESS1 and also the forecast for the VPP connections BESS2? For example, how much are we expecting will be installed in the next year?

We've consulted widely with the battery market and looked at a range of analysis which is limited. A scheme of this scale and longevity is unprecedented in Australia making modelling its impact unreliable. This said, all indications are that the scheme will drive a significant increase in battery installations in NSW.

The incentive has been advertised as \$1600-2400. Our calculation for a battery with usable capacity of 4.608 kWh in the Ausgrid distribution area is 367 PRCs, which at the current PRC price of \$2.45 is a total amount of \$899. How can we get the advertised \$1600-2400?

This range was provided for a typical battery with a usable capacity of 12.5kWh – in which case the BESS1 incentive would be at the upper end of this range.