

Draft PDRS Method Guide

June 2024

Changes to the *Peak Demand Reduction Scheme Rule of 2022* (**PDRS Rule**) published in May include:

- introducing new battery activities from 1 November 2024:
 - BESS1 – Install a New Behind the Meter Battery Energy Storage System
 - BESS2 – Sign a Behind the Meter Battery Energy Storage System Up to a Demand Response Contract
- changes to existing activities that will apply from 1 August 2024 (see our [PDRS Rule](#) page for more details).

1 Purpose of this consultation

We're seeking stakeholder feedback on a [draft PDRS Method Guide](#) (**Method Guide**), in particular the proposed evidence requirements for BESS1 and BESS2. This Method Guide will apply to all implementations on or after 1 August 2024. The previous version of the Method Guide will continue to apply to implementations before 1 August 2024.

The Method Guide has been updated to:

- help stakeholders understand battery requirements and the records we propose Accredited Certificate Providers (**ACPs**) will need to obtain and keep as evidence that they have met these requirements
- reflect changes in existing activities in the PDRS Rule
- make minor administrative changes (see our [PDRS Rule](#) page for more details).

We are also consulting on a proposed nomination approach for BESS2, including a draft nomination specification (**Nomination Specification**) for this activity.

We are keen to hear your feedback on the changes to the Method Guide and Nomination Specification. We have included some questions below to help guide your assessment.

If you have feedback on policy changes in the PDRS Rule, please contact the Department of Climate Change Energy Environment and Water at sustainability@environment.nsw.gov.au

2 Getting ready for the new PDRS Rule

More information about the changes to the PDRS Rule are available in our [PDRS Quick Reference Guide](#). You can use this information to get your systems and processes ready for 1 August when the Rule commences.

Battery activities (BESS1 and BESS2) will commence separately on 1 November. The draft Method Guide will help prospective ACPs understand the likely requirements that will need to be met for battery activities under the PDRS Rule. Keep an eye on our [battery webpage](#) for information about applying for accreditation – we will update this page as more information becomes available.

3 Our approach to the PDRS Method Guide

The Method Guide provides general guidance about PDRS calculation methods and activities. It contains requirements referenced in the PDRS Rule and an ACP's Accreditation Notice, and about customer engagement and representatives as well as the record keeping requirements and other requirements imposed by the Scheme Administrator.

This version of the Method Guide reflects the version of the PDRS Rule commencing on 1 August 2024. It also provides guidance for the battery activities commencing on 1 November 2024. ACPs will need to refer to earlier versions of the Method Guide, available on our website, for implementations that occurred before 1 August 2024 (see section 1.3 in the Method Guide). We have taken this approach because certificates for future vintages can be created at any point during the lifetime of a PDRS activity, and it could be confusing to include requirements that apply at different times in one version of the Method Guide.



Do you support the approach we have taken?

Would you prefer a single Method Guide covering all previous versions of the Rule?

4 Method Guide Requirements

4.1 Monthly implementation data requirement

When you register PRCs you need to provide us with information that supports your claim that the implementation meets the requirements of the PDRS Rule (IPART specifies what information is required, see section 10.2.1 in the Method Guide for more information). This information is known as implementation data. We propose requiring ACPs to provide implementation data for BESS1 and BESS2 implementations to us by the 15th day of each calendar month for all implementations that occurred in the previous calendar month (see section 8.5.1 in the Method Guide).

We also propose requiring that by the date of the upload you have and keep geo-tagged photos that evidence the implementations uploaded meet requirements.

Do you see any issues or problems with the requirement to provide BESS1 and BESS2 implementation data to us by the 15th day of the following calendar month?

Is the timing for providing the data practical to implement?

Do you see any issues or problems with the requirement to have and keep photographic evidence that implementations meet requirements by the upload date?

Please provide details or examples where possible.

4.2 Requirement to provide evidence on request

For BESS1 and BESS2 activities only, you must provide any evidence related to an implementation within 7 days if requested to do so (see section 8.5.2 in the Method Guide).

Do you see any issues or problems with the requirement to provide evidence within 7 days if requested?

Please provide details or examples where possible.

4.3 Fact sheet requirements

We will develop battery fact sheets to help consumers make informed decisions. ACPs will be required to provide the fact sheets to customers before they agree to a BESS1 or BESS2 implementation and keep records as evidence that the fact sheet requirements have been met (see section 8.5.3 in the Method Guide).

Do you see any issues or problems with the requirement to provide fact sheets to BESS1 and BESS2 consumers?

Is the proposed timing for providing the fact sheet practical to implement?

How could you provide the fact sheet to consumers?

What records could be kept as evidence that fact sheet requirements have been met?

Please provide details or examples where possible.

5 Capacity holder nomination requirements

The PDRS Rule requires ACPs to be nominated as the capacity holder at the implementation date. An ACP must be nominated by the customer in the form and manner approved by the Scheme Administrator.

Existing nomination requirements will continue to apply for existing activities. The same approach to nomination will also be taken for BESS1.

For BESS2 we are proposing a different approach because of the different nature of this activity (see section 7.2.2 in the Method Guide). We have developed a [draft BESS2 Nomination Specification](#), which ACPs will be expected to comply with (ACPs will be able to develop their own nomination form that can be in any format, providing it meets the requirements of the Nomination Specification).

We are also seeking feedback on whether the Method Guide Representative Requirements (Table 3.3 in the Method Guide) are appropriate where the representative is a Demand Response Aggregator (**DRA**) implementing activity BESS2.



Do you see any issues or problems with the proposed nomination specification?

How would you meet the requirements in the BESS2 Nomination Specification?

What format would you likely implement for your contract?

Do you see any issues or problems complying with the Method Guide Representative Requirements for DRAs? How could these issues or problems be overcome?

Please provide details or examples where possible.

6 Evidence requirements

ACPs need to keep evidence that they have met requirements. Some requirements will apply to all PDRS implementations (e.g. being a site in NSW) and some are specific to particular methods or activities (see Tables B.1 to B.8 in the Method Guide).

New activity Definitions BESS1 and BESS2 contain activity-specific eligibility, equipment and implementation requirements (Schedules C and D of the [PDRS Rule](#)). We have updated the Method Guide to include examples of the types of evidence ACPs can collect and retain to prove they have met these BESS1 and BESS2 specific requirements (see Tables B.7 and B.8 in the Method Guide).

6.1 BESS1- and BESS2-specific eligibility requirements

To create PRCs, implementations need to meet certain criteria (eligibility requirements). We have included new examples in the draft Method Guide that set out how you can demonstrate compliance with the new BESS1 and BESS2 specific requirements (see Tables B.7 and B.8 in the Method Guide).



- Are the examples in the Method Guide practical?
- Do you see any issues or problems with the proposed examples?
- Are there other ways you could evidence that requirements have been met?
- Please provide details or examples where possible.

6.2 Equipment requirements

The end-user equipment (**EUE**) used for an implementation must meet certain product, warranty, and usage requirements. Equipment installed for the BESS1 activity must meet certain product requirements. Participation in a virtual power plant (**VPP**) under the BESS2 activity requires the DRA to meet requirements that ensure the capacity of the end-user's battery.

These requirements and examples of records ACPs can keep to evidence that BESS1 and BESS2 specific equipment requirements have been met are provided in Tables B.7 and B.8 in the Method Guide.



- Are the examples in the Method Guide practical?
- Do you see any issues or problems with the proposed examples?
- Are there other ways you could evidence that requirements have been met?
- For BESS1, would a declaration signed by the customer (after implementation) confirming installation details and their satisfaction with the installation be useful for evidencing requirements have been met? Do you see any issues with introducing this requirement?
- How would you evidence the BESS2 Life Support requirement?
- How would you evidence that EUE is internet connectable and controllable by a DRA?
- Please provide details or examples where possible.

6.3 Implementation requirements

Implementations under the BESS1 activity must follow specific requirements to ensure installations are conducted appropriately, and the installed equipment operates safely and in the manner intended.

For example, for BESS1 the Rule requires that installations comply with AS/NZS 5139. This requirement is to be evidenced by a declaration from the installer that the installation complies with the Standard. We are also proposing additional evidence is kept for specific AS/NZS 5139 requirements where these address particular identified safety risks.

Examples of records ACPs can keep to evidence BESS1 and BESS2 implementation requirements have been met are provided in Tables B.7 and B.8 in the Method Guide.



Are the elements of AS/NZS 5239 we have focused on appropriate? Should we include other elements of AS/NZS 5239?

Are the evidence requirements in the Method Guide relating to AS/NZS 5239 practical for you and your installers to meet?

If you are already installing batteries, what are your current systems and processes to ensure installations are meeting AS/NZS 5139 and what records do you currently keep?

For other BESS1 and BESS2 implementation requirements, are the examples in the Method Guide practical?

Do you see any issues or problems with the proposed examples?

Are there other ways you could evidence that requirements have been met?

Please provide details or examples where possible.



Do you have any other feedback on the Method Guide?

Please provide details or examples where possible

7 Next steps

Please send your submissions addressing the consultation questions to ess@ipart.nsw.gov.au by **1 July 2024**.

Ensure you include a completed [ESS submission cover sheet](#) with your submission to confirm you have read and accept [IPART's Submission Policy](#). We will publish your submission on our website unless you ask us to keep it confidential. We will also publish your name and your organisation's name unless you ask us to keep them confidential.

Please contact us if you have any questions concerning the submission process.

We will consider all submissions in finalising the Method Guide and publish a response on our website.

We will publish the finalised Method Guide on our website and keep you informed on timing and requirements. Please keep an eye on our [Battery](#) and [What's Out Now](#) webpages for updates.