NSW Energy Security Safeguard

Battery implementation webinar Q&A

This document provides written answers to questions submitted during the NSW Energy Secu*rity Safeguard battery implementation webinar* that time prevented from answering or elaborating on during the broadcast.

Will IPART have the fact sheets available?
IPART has published a BESS1 fact sheet and BESS2 fact sheet on the Energy Sustainability Schemes website.

How do you become an ACP? Why is the ACP application cost so high at $2500?
As an installer, you can get involved in the scheme by either becoming accredited as an ACP or by working with an existing ACP who can create certificates on your behalf. Find out more about both options on our About PDRS battery activities page.
The cost of applying for accreditation is set by the legislation and allows IPART to thoroughly assess the quality of each application.
There are already ACPs accredited that installers work with. Details are listed the IPART website.

What's the difference between BESS1 and BESS2?
BESS1 provides an incentive to install a new battery in a home or small business with an existing solar system.
BESS 2 provides an incentive to join a demand response program, otherwise known as a Virtual Power Plant (VPP). VPPs enable battery owners to sell some of the excess stored energy in their battery to the grid, often during peak times when it's needed most.
The battery needs to be connected to the internet and be onboarded with a demand response provider. The homeowner signs a contract for at least 3 years for the battery to be used in this way.
For both activities, the incentive is proportional to the battery's usable capacity in kilowatt-hours (kWh). Larger batteries will receive a larger incentive.
The warranty requirements are similar for both activities. For BESS2 a battery will need to prove that at least 6 years of warranty remain at the time of sign-up.
For all activities under the scheme, the exact value of the incentive depends on the current value of Peak Reduction Certificates (PRCs) and will therefore vary from day to day.

How long will the incentive scheme be available for batteries?
Battery activities commenced 1 November 2024 and are part of the Peak Demand Reduction Scheme (PDRS), which is legislated to continue until 2050. Battery activities currently have no end date prior to the end of the scheme.

What does an accredited solar installer need to do to be able to deliver under the Peak Demand Reduction Scheme (PDRS)?
Installers must be accredited with Solar Accreditation Australia for the Install of Grid Connect Battery Systems to install batteries under the PDRS.
Installers need to be up to date and aware of the requirements of the relevant standards (AS/NZS 3000, AS/NZS 3008, AS/NZS 3786 & AS/NZS 5139) and meet the Solar Accreditation Australia requirements.
Only Accredited Certificate Providers (ACPs) can create certificates under the PDRS. To benefit from the scheme as an installer, you must either work with an existing ACP or become accredited yourself. Visit the About PDRS battery activities webpage for more details.

Are replacement batteries eligible for the scheme? For instance, if customers want to replace a smaller battery with a larger battery.
No, replacement batteries are not currently eligible for incentives under the current Peak Demand Reduction Scheme (PDRS). If there is an existing battery behind the meter, then any further installation there is not eligible.

What if I am installing a battery bigger than 28 kWh? Can I generate an incentive for the first 28kWh?
No, under the current Peak Demand Reduction Scheme (PDRS) rule, the incentive can only be claimed for battery systems that have a total usable battery capacity (as it is listed on the Clean Energy Council's approved battery list) greater than 2 kWh and less than 28 kWh.
Battery systems greater than or equal to 28 kWh (or less than or equal to 2 kWh) are wholly ineligible – you cannot generate an incentive for the first 28 kWh of capacity.
The capacity limits of 2 kWh and 28 kWh apply to the total usable battery capacity that is being installed. This means that multiple batteries with a total capacity greater than 28 kWh are not eligible.

Is the BESS1 incentive available for off-grid systems?
No, BESS1 is not available for off-grid systems. Incentivising off-grid batteries is not consistent with the objective of the PDRS, which is to reduce peak demand for electricity.

Where can we find the approved battery list for this program?
There is no list of approved batteries for the PDRS per se. To be eligible, the battery must be on the Clean Energy Council's Approved Batteries List and must meet additional warranty and connection requirements.
The additional warranty and connection requirements can be found in Activity Definitions BESS1 and BESS2 of the PDRS Rule.

Is there a limitation on the number of BESS1 installs that can be completed each day?
The PDRS requires installers to be accredited with Solar Accreditation Australia (SAA) and follow all accreditation requirements. One SAA requirement is that an accredited installer can only complete 2 installations per day.

What happens if the existing solar installation isn't registered on the Distributed Energy Resources (DER) register?
There is no requirement under the PDRS for the solar installation to be registered on the DER Register.
You will be required to evidence that there is a solar PV system installed at the site. Examples of how this may be done include:

- a geo-tagged photo of the solar photovoltaic system installed at the site, or
- a geo-tagged photo of the switchboard showing that a PV system is installed, or
- evidence of the DER Register showing that a solar PV system has been installed at the NMI.

Does the customer have to sign up to the VPP for 3 years for BESS2?
Yes, for BESS2, the customer must sign up to a Virtual Power Plant (VPP) or a demand response contract for at least 3 years. This is a requirement under the Peak Demand Reduction Scheme (PDRS) for the battery to participate in demand response activities and help reduce peak electricity demand. Under AEMO's Power of Choice reforms, customers may switch energy providers at any time after signing up.

If an address has 2 properties connecting to one National Meter Identifier (NMI) meter, if allowed, can we claim multiple battery installs? Say there was one previously done?
No, under the Peak Demand Reduction Scheme (PDRS), you cannot claim multiple battery installations at the same address if both properties are connected to a single NMI. The scheme only allows for one incentive per NMI.

Is it eligible to install both a solar PV system and a battery at the same time if the customer does not have a system present but wants to install both?
Yes, under the Peak Demand Reduction Scheme (PDRS), a customer can install both a new solar PV system and then a new battery if they do not already have a system in place. The scheme is designed to incentivise new battery installations, including situations where both solar and battery systems are installed together. This is encouraged as it helps manage energy demand and supports grid stability.
The PDRS Rule requires that the solar PV system be installed prior to the installation of the battery system. However, solar and battery installers should be able to coordinate this easily.

Could you please give more information about the operating temperature range?
The PDRS Rule requires that the battery remains under warranty when exposed to an ambient temperature range of -10°C to 50°C. This ensures that the battery remains under warranty in many installed locations across NSW. This differs from the operating temperature range often listed on the spec sheet, which is generally the range in which the battery will function normally.

When you say the battery needs to be connected to the internet, is connectivity via a connected inverter sufficient?
Yes, a DC-coupled battery system connected to an inverter can meet this requirement, so long as the inverter can be shown to be internet-connectable and third-party controllable. This connection enables necessary communication, monitoring, and participation in programs like Virtual Power Plants (VPPs) or other demand response activities.
However, it's important to ensure that the specific inverter model being used supports this type of communication and is compatible with the scheme's requirements.

Do we register the BESS1 installation on the DER via the Distributed Network Services Provider? Or direct with AEMO?
Evidence of the entry of the battery installation to the DER register is required. Guidance on how to provide this evidence can be found in the PDRS Method Guide.

What information must be added in the Certificate of Compliance for Electrical Work (CCEW)?
The CCEW specifies equipment approved via the Permission to Connect (PTC) including information such as battery size.
The CCEW can be used as evidence that some of the requirements of the scheme have been met. In addition to any information you are required to provide to the distributor, your ACP will be able to inform you what information needs to be added in the CCEW. See Appendix B of the PDRS Method Guide for examples of evidence that may demonstrate that the requirements have been met.
You may be required to add other information to the CCEW by other legislation. The PDRS does not override your other obligations.

If the purchaser were to enter into a lease agreement with an option for ownership at the end of the lease term, who would be deemed the signer in the nomination form?
For BESS1, the Purchaser signs the nomination form and nominates the ACP. Generally, the purchaser, under the PDRS Rule, is the person who purchases or leases the battery.

What are the requirements for smoke detectors?
For a battery that is installed indoors, a working smoke alarm that meets AS/NZS 3786 must be installed in the immediate vicinity.
You will need to evidence this requirement by either demonstrating the battery is installed outdoors or by demonstrating that there is a smoke alarm in the immediate vicinity and that it works. Refer to Table B.7 of the PDRS Method Guide for examples of evidence.

In terms of compliance photos, does IPART require a photo with a ruler showing exactly the distance between the battery installation and its surroundings?
A photograph with a ruler is not specifically required. You will need a robust way to evidence that the requirements have been met. Refer to Table B.7 of the PDRS Method Guide for examples of evidence that may prove the requirement is met.

Is the ACP or installer responsible for rectification works if required?
In the PDRS, the ACP is ultimately responsible for the implementation. However, ACPs and installers often have agreements that require the installer to be responsible for rectification works should the implementation need additional work or evidence. The ACP must exercise effective control over all aspects of the activity.