

# Understanding the PDRS Information Session – Q&A responses

22 August 2024

## 1 Information about the PDRS

This document responds to questions that were asked at the Understanding the PDRS information session held on 31 July 2024.

It may not be the best starting point if you are new to the scheme. If you are new to the scheme, you can learn more by:

- watching the recording of the [Understanding the PDRS information session](#)
- reading our [PDRS FAQs](#).
- reading the [PDRS Method Guide](#) to understand the obligations of an Accredited Certificate Provider and how to meet them
- reading the [PDRS Rule](#) to understand the scheme requirements:
  - For battery installations, read clause 8 and Schedule C
  - For demand response contracting (virtual power plants, or VPPs), read clause 9 and Schedule D

If you're thinking about applying to be accredited for battery activities, you should use the information above to help you understand the PDRS, and consider whether you want to become accredited yourself, or work with an ACP who will create certificates on your behalf. If you decide to apply for accreditation, you should:

- Read the [Preparing your PDRS application](#) webpage to understand how to apply
- Watch our [online forum on applying for battery accreditation](#)
- Prepare your systems and processes to meet the PDRS requirements
- [Register an account](#) in TESSA and watch our instructional videos on our [TESSA for ACPs](#) webpage to learn how to navigate TESSA.

## 2 Responses to questions

### PDRS certificates

Question	Answer
The compliance period is from November to March. Can certificates be created from installations that happen all year round?	Yes, installations may happen all year round. The start and end of the compliance period determines what vintages of certificates are created for that installation, which will determine when they expire.
How do certificate vintages work? Can you give us an example?	<p>Activities under the PDRS generate capacity across their lifetimes. Each year of capacity has a corresponding batch of certificates, each of which is assigned a corresponding vintage. The vintage of a certificate dictates when it expires.</p> <p>Find out more about <a href="#">PRC expiry, vintage and forward creation</a> on our website.</p> <p>The <a href="#">PDRS Method Guide</a> steps through an example of how PRC vintages work</p>
Did you say a 2026 PRC can be surrendered in 2024?	Yes, all later vintage certificates are available to be surrendered as soon as they are registered.
How many certificates can be made for each battery? Where can I find this information?	<p>Certificate amounts are calculated according to the equations in the <a href="#">PDRS Rule</a>. We have worked examples in Appendix C of the <a href="#">PDRS Method Guide</a>.</p> <p>You can also use the <a href="#">Solar battery certificate estimators</a> on the Energy NSW website.</p>

### Audits

Question	Answer
One of the slides mentioned that the RPAs (Recognised Peak Activities) must be audited before registration. Is pre-registration audit of all RPAs a new requirement?	Pre-registration audits are not a new requirement under the scheme.
Will there be a larger audit limit given to participants that have a proven track record with IPART?	<p>If you are new to the PDRS and have no experience as a certificate provider in the ESS or other schemes, we will most likely apply pre-registration audit conditions to your accreditation. If you are an existing ACP in the ESS or PDRS with demonstrated experience and good compliance record, we may apply periodic audit conditions with an unaudited certificate limit. This approach is consistent with previous ESS and PDRS requirements. Refer to the "Audit conditions and certificate creation limits" section of our <a href="#">Application for Accreditation Guide</a> for further details.</p> <p>ACPs can also apply to change their audit conditions or certificate creation limits. See our <a href="#">Guide for amending audit and certificate creation limit conditions</a> for further details.</p>
How does the auditing work? Does it include any on-site inspections?	<p>ACPs must engage auditors from the <a href="#">Audit Services Panel</a>. These auditors are familiar with the scheme and have been approved by IPART as the Scheme Administrator. The ACP's accreditation notice contains conditions of accreditation that specify when audits must be done.</p> <p>Audits are compliance and assurance audits. Auditors test implementations on a sample basis, and this may include site visits for a portion of the implementations.</p>

	<p>See our <a href="#">Auditing ACPs</a> webpage for more information.</p> <p>IPART Compliance Officers and the NSW Building Commission also visit sites throughout NSW. ACPs and their representatives should advise customers that their sites may be visited and that they should assist officials who undertake those inspections. These personnel will always show identification..</p>
<p>How can a prospective ACP assess what sort of audit costs and audit frequency we are likely to need to manage?</p>	<p>Your audit frequency will depend on the conditions of your accreditation (which set audit requirements), and on your business needs. Generally, these conditions will require audits before certificates are registered, or they may allow for a limited amount of certificate registrations before audit. You may then opt to have smaller numbers of certificates audited more frequently, or larger numbers less frequently.</p> <p>You can find out more about <a href="#">Auditing ACPs</a> on our website.</p> <p>Audit costs are a commercial matter to be organised between yourself and your auditor and are not set or overseen by IPART.</p>
<p>What is the shortest time an audit may take for an ACP?</p>	<p>Audits typically take 5–8 weeks. Audits can be several weeks shorter or longer than this. The duration of audits is influenced by:</p> <p><b>Audit scope</b> – Each calculation method requires different checks; some place greater weight on on-site inspections or customer checks. These may vary over time according to our assessment of risk. The number and geographic distribution of implementations affects the number and distribution of required site visits. Your previous performance or reports about the conduct of your installers may result in specific or additional checks.</p> <p><b>Auditor availability relative to workload</b> – Audit workloads increase substantially in the 2 months leading up to:</p> <ul style="list-style-type: none"> <li>• the <a href="#">30 September deadline</a> for PDRS certificate registrations</li> <li>• the <a href="#">30 June deadline</a> for ESS certificate registrations</li> </ul> <p><b>Preliminary findings</b> – Auditors may issue requests for information, apply additional tests or expand their initial samples to arrive at assurance.</p> <p>Start early, have all your evidence well prepared and ensure you have people and resources available to support the auditor's requests for information. Allow additional time in case your audit takes longer than anticipated. You can contact members of our <a href="#">Audit Services Panel</a> to find out more.</p>

## Co-payments

Battery installations under the PDRS BESS1 Activity Definition require that the customer pay a net amount of at least \$200 (excluding GST) towards the cost of installing the battery. This payment is calculated minus any money/incentives/rebates given back to the purchaser by the ACP or installer. The ACP must also have satisfactory evidence of that co-payment. Examples of what constitutes satisfactory evidence are listed in Table B.7 of the PDRS Method Guide.

Question	Answer
How does the co-payment work where the customer pays with a green loan/finance/buy-now-pay-later?	<p>ACPs and their representative must only use payment arrangements that meet the minimum co-payment requirement.</p> <p>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.</p> <p>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.</p>
What is the allowed price range for the battery system (inverter and battery) after the \$200 customer contribution?	So long as the customer has paid the minimum co-payment, there is no restriction on the price of the system. This is a commercial matter for the ACP and/or installer. Note that the minimum co-payment of \$200 for a battery installation excludes GST.
How do you evidence the co-payment when the customer pays with cash?	We do not recommend cash transactions. You should have payment arrangements that are robust for scheme evidence and provide purchasers with clear evidence of their transactions.

## Battery installation (BESS1) requirements

Questions	Answers
When can I start battery installations?	<p>ACPs can create certificates for batteries where the following criteria are met:</p> <ul style="list-style-type: none"> <li>the battery is installed (tested, commissioned and connected, also known as the implementation date) on or after 1 November 2024</li> <li>the ACP creating the certificates is accredited for the BESS1 activity on or before the implementation date</li> <li>the ACP has been nominated by the customer as the Capacity Holder before the implementation date</li> <li>the evidence requirements from the PDRS Method Guide are met.</li> </ul> <p>Note that you may need to collect evidence that you meet the requirements of the scheme, and some evidence can only be collected before/during the battery installation.</p> <p>If you are an installer, you can also work with an ACP so they can create certificates on your behalf. You should speak with them about how you'll need to conduct battery installations to comply with the scheme.</p> <p>Note that as of 21 August 2024, no ACPs have been accredited for battery activities under the scheme as applications for this activity only opened on 1 August 2024.</p>
To meet the fact sheet requirement, will the NETCC Consumer Information Product guide suffice, or do we need to link to an IPART-written factsheet as well?	<p>IPART will be creating its own fact sheet, which will need to be handed out to customers.</p> <p>There is no restriction on handing consumers other fact sheets, and we encourage handing out fact sheets that will help the consumer make an informed decision.</p>

What evidence do we need to collect to prove the battery has been installed? Is it only one, or all of the following items (from Table B.1 of the PDRS Method Guide):

- CCEW
- tax invoice
- run sheet
- signed owner and contractor declaration.

You do not need all these items. The items listed in Table B.1 are examples that can be used to prove the requirement has been met. The listed items in that row (CCEW, tax invoice, run sheet, signed owner and contractor declaration, or time-stamped photograph) are all separate examples of how you may prove that the battery has been installed, and the date on which it has been installed.

Does the 28kWh limit apply to both residential and commercial sites?

Yes.

If a site has an existing battery, is there no rebate to replace the old battery with a new battery? Is the rebate only available if it is the first battery to be installed?

The battery installation is only eligible under the PDRS if there is no existing battery installed at the site.

Note that the scheme is not a rebate scheme, and the incentive is in the form of certificates which must be sold to realise their benefit.

Can a part of a battery be claimed? Can you install three 10kWh batteries (30kWh total) and only claim for 28kWh of the 30kWh, or in this case could you only claim for 2 batteries for a total 20kWh?

The scheme does not allow for more than 28 kWh of usable battery capacity to be installed. In this case, you would not be able to claim any certificates.

You also cannot claim the incentive for part of a battery.

How do you make sure a site does not go over the 28kWh limit if the site already has an old battery installed and they get a new battery installed?

A site that has an existing battery isn't eligible under the scheme.

Is there a maximum limit for or number of batteries a site can install?

You may install any number of batteries as a system, so long as the total usable battery capacity (as listed on the CEC's approved batteries list) is less than 28 kWh, the batteries meet all equipment requirements, and there is no existing battery at the site.

How will you check that the battery wasn't installed at the site earlier? Or that a battery was not previously installed at the site?

ACPs must evidence when the battery was installed, and that there is no existing battery installed at the same National Meter Identifier (NMI). If you do not evidence this then no assurance will be provided, and you may not claim certificates.

If it's a manifold installation how much co-payment needs to be collected from the customer? Is it \$200 per unit?

Where multiple batteries are installed together as a system under BESS1 the minimum co-payment is \$200 (excluding GST) per battery.

BESS1 and BESS2 are not listed in the PDRS Definition in the Technical Guide CSV Specification August 2024 workbook. Will this be updated to include them in the future?

Yes, we will update our specification before 1 November 2024.

## Equipment requirements

To be eligible, equipment from any manufacturer or OEM (original equipment manufacturer) must be listed on the Clean Energy Council's list of approved batteries, and meet additional capacity, warranty and connection requirements.

The battery-specific requirements are set out in the [PDRS Rule](#) in clauses 8 and 9, and in Activity Definitions BESS1 and BESS2.

### Questions

How do manufacturers find out what the battery requirements are?

What other requirements are there apart from being CEC approved?

### Answers

To be eligible, batteries must be listed on the Clean Energy Council's list of approved batteries, and meet additional capacity, warranty and connection requirements.

The full list of requirements is set out in the [PDRS Rule](#) and can be found in Activity Definitions BESS1 and BESS2.

Is there a single list that has all the batteries that can be used under the scheme?

If there is no clear list of eligible battery OEMs, is it up to the ACPs to determine which OEM they generate PRCs from?

What if the OEM is not on the CEC's Approved Battery list when generating PRCs from the system/application?

The CEC has a 'nominalBatteryCapacityKwh' and a 'usableCapacityKwh' property for the battery in the API. Which one is accepted?

The battery must meet the equipment requirements on the installation date. IPART doesn't maintain a list of approved batteries for the scheme. The onus is on the ACP to ensure the battery being installed is eligible under the scheme. If the battery is not eligible on the implementation date, then its installation does not allow for PRC creation. Note that batteries are eligible under the scheme based on their make and model, not by their manufacturer or brand.

If the battery is eligible on the implementation date and the ACP can evidence this, certificates can be created for that installation even if it is later removed from the CEC's approved batteries list.

The PDRS uses the Usable Battery Capacity as listed on the CEC's Approved Batteries list.

See the Activity Definition BESS1 and BESS2 in the [PDRS Rule](#) for more information.

### 3 VPP (BESS2) requirements

Questions	Answers
Can an ACP work with more than one Demand Response Aggregator (DRA) for BESS2?	Yes, an ACP can work with any number of DRAs.
Is a ping test necessary, or is a screen shot of the associated mobile application, showing VPP Data sufficient?	<p>The requirement is that the internet connection and DRA control of the battery must be operational and demonstrated to the satisfaction of IPART.</p> <p>ACPs should evidence that the DRA has the ability to control the battery registered at that NMI.</p> <p>A ping test is an example of how ACPs may evidence the DRA's control of the battery. Given the large variety of battery control software and options open to the market, we have not mandated one specific way to demonstrate this requirement.</p>
Does the capacity holder nomination agreement need to be signed before the system is connected to the DRA for BESS2?	The capacity holder nomination must be signed before the demand response contract is signed by the account holder. The system can be connected to the DRA before or after the nomination.
Where can we find a list of requirements to ensure the battery is compliant under the PDRS?	<p>The scheme requirements for BESS2 are defined in the <a href="#">PDRS Rule</a>, specifically in clause 9 and in Activity Definition BESS2 in Schedule D.</p> <p>You should also read the <a href="#">PDRS Method Guide</a> for guidance on the method.</p>
What happens if the customer moves or chooses to disconnect from the VPP before the 3 years has expired under BESS2?	<p>A BESS2 customer can terminate their demand response contract earlier than the 3 years under the scheme. IPART will not require the forfeiture of certificates where a customer terminates their contract early.</p> <p>However, no PRCs can be created at that same NMI until 3 years after the previous Implementation Date, either by the same ACP or by a different ACP.</p>
Is or will NMI data be publicly available on the TESSA website?	<p>IPART will not be sharing NMI data publicly.</p> <p>If an ACP attempts to create BESS2 certificates at an NMI where BESS2 certificates have been created before, the ACP will be prevented from registering those certificates. The ACP/DRA will need to bear this risk and should organise their business processes accordingly.</p>

## 4 Other questions

Questions	Answers
What is the difference between the calculation methods?	<p>Each calculation method deals with a different way to create peak demand reduction capacity. See our <a href="#">PDRS Calculation methods</a> page for more details.</p> <p>You will need a separate accreditation for each method that you want to create certificates under.</p>
How many times can I revise my ACP application?	<p>You can revise your application during the request for information (RFI) process. We will send you a RFI if we identify gaps, errors or issues with your application or we need more information from you.</p> <p>We typically issue no more than 2 RFIs to ensure applications are completed in a timely manner.</p>
We are a battery installation company. Do we have to become an ACP to pass on the point-of-sale discount, or can we partner with an ACP to participate in the PDRS?	<p>As a battery installation company, you can either partner with an ACP or get accredited yourself to benefit from certificate creation under the PDRS.</p> <p>The PDRS is not a rebate scheme, and so it is the installer and/or the ACP who is responsible for determining the level of any discount that they offer to customers.</p>
How does the end customer get the financial benefit from the scheme? Will the ACP need to share the benefits depending on the value of the PRC?	<p>How much of a financial benefit you pass on to the end customer is a commercial matter and isn't regulated by the scheme. You may pass on the financial benefit of the scheme to the customer however you choose.</p> <p>The PDRS is a certificate scheme, meaning that the incentives from the scheme are in the form of tradeable certificates (PRCs). Because PRCs can only be registered after the installation, you will need to factor in the variable certificate price. IPART does not control or have oversight over the certificate price.</p>
Is there a M&V demand activity being worked on?	The Rule is developed by NSW DCCEE. They regularly consult on changes. You can visit the <a href="#">Safeguard website</a> and sign up to their mailing list to stay updated.
Will KVA (e.g. Power Factor Correction) be considered for the scheme?	
Will other demand shifting technologies be considered?	