IPART Energy Sustainability Schemes

2023–24 Energy Security Safeguard

Report to the Minister

July 2025

Acknowledgment of Country

IPART acknowledges the Traditional Owners of the lands where we live and work. Our office is located on Gadigal land and our work touches on Aboriginal lands and waterways across NSW.

We pay respect to their Elders both past and present, and recognise Aboriginal people's unique and continuing cultural connections, rights and relationships to land, water and Country.

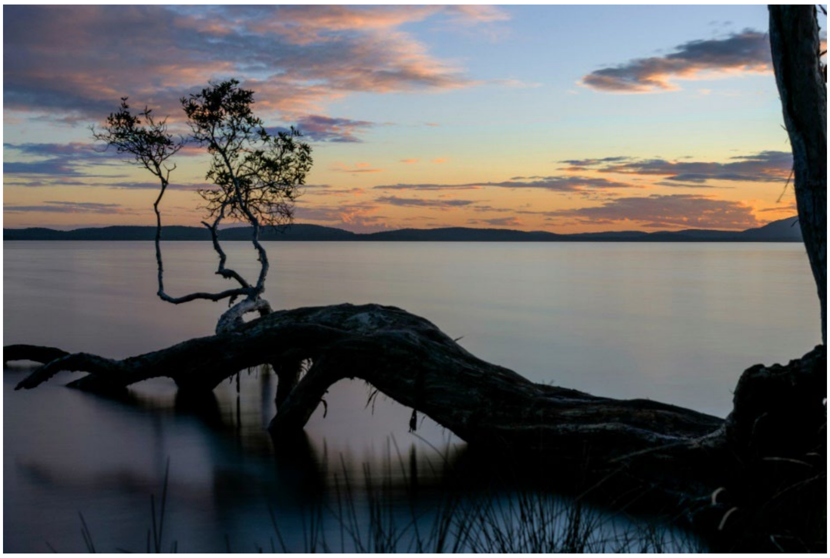

Image taken on Worimi Country (Myall Lakes)

The Independent Pricing and Regulatory Tribunal

IPART's independence is underpinned by an Act of Parliament. Further information on IPART can be obtained from IPART's website.

Tribunal Members

The Tribunal members for this review are:

Carmel Donnelly PSM, Chair
Dr Darryl Biggar
Jonathan Coppel
Sharon Henrick

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2023 ANNUAL REPORT HIGHLIGHTS

Energy Savings Scheme

Reporting period 1 January 2023 – 31 December 2023

2.4

million tonnes

of greenhouse gas emissions avoided in NSW households and businesses

5.17 million ESCs

Overall energy savings target

Scheme Participants surrendered ESCs to meet 99% of overall target

111

Scheme Participants

85% complied with their individual energy savings target

15% carried forward shortfalls or were required to pay shortfall penalties

119

Accredited Certificate Providers

Compliance was high

10.4 million ESCs created in 2023

4,894 GWh

of energy saved by NSW househol ds and businesses in 2023

23.334 GWh electricity and 1,078 GW h gas savings to be realised over next 1 0 years

$823 million

estimated bill savin gs for households and businesses in 2023

Certificate surplus

12.4 million ESC surplus for 2023, up by 73% from 2022

2023-24 ANNUAL REPORT HIGHLIGHTS

Peak Demand Reduction Scheme

Peak demand reduction period –
2:30–8:30 pm AEST from
1 November to 31 March

Reporting period
1 April 2023 – 31 March 2024

7.9 million PRCs

Scheme certificate target

Scheme Participants surrendered PRCs to meet 99% of target

107

Scheme Participants

84% complied with their individual certificate targets

16% carried forward shortfalls or were required to pay shortfall penalties

53

Accredited Certificate Providers

30.5 million PRCs created

44 MW of peak demand reduction capacity made available in 2023-24

Certificate surplus

22.2 million PRC surplus at end of reporting period

1 Introduction

1.1 About this report

The *Electricity Supply Act 1995* (**Act**) requires the Independent Pricing and Regulatory Tribunal of NSW (**IPART**), as Scheme Regulator and Scheme Administrator of the NSW Energy Security Safeguard Schemes (the **Safeguard**), to provide an annual report to the Minister for Energy (the **Minister**). The Safeguard is made up of 3 schemes:

- Energy Savings Scheme (**ESS**)
- Peak Demand Reduction Scheme (**PDRS**)
- Renewable Fuel Scheme (**RFS**).

This report addresses our statutory reporting requirements and provides an overview of our administration of 2 Safeguard schemes:

- the ESS for the compliance period 1 January 2023 – 31 December 2023
- the PDRS for the compliance period 1 April 2023 – 31 March 2024.

The RFS has not yet commenced.

For information about IPART's performance as Scheme Administrator and Scheme Regulator, we report against our Key Performance Indicators annually. For information about what IPART does generally, see IPART's Annual Report.

1.2 About the Safeguard

The Safeguard is part of the NSW Electricity Strategy, the Government's plan for a reliable, affordable, and sustainable electricity future that supports a growing economy. The objectives of the Safeguard are to make energy more affordable, reliable, and sustainable.

The Safeguard was established under Schedule 4A to the Act to provide financial incentives to NSW households and businesses to invest in activities that improve energy efficiency (ESS), create capacity to reduce peak demand (PDRS) and increase the supply of green hydrogen for NSW (RFS). As the RFS has not yet commenced, this report only addresses the ESS and PDRS.

Energy savings and peak demand reduction capacity are achieved by installing new equipment and appliances, by improving or replacing existing equipment and appliances, or by allowing a third party to control equipment or appliances at times of peak demand. Some activities that improve efficiency may save energy *and* reduce demand during peak times.

Financial incentives are in the form of tradeable certificates (Energy Savings Certificates or Peak Reduction Certificates). The Act provides for accredited persons known as Accredited Certificate Providers (**ACPs**) to create certificates from energy saving or peak demand reduction activities recognised under the schemes. This creates the supply of certificates.

The number of certificates that can be created is determined by the energy saved or the peak demand reduction capacity that is created. One Energy Savings Certificate (**ESC**) represents one notional megawatt hour[a] of energy saved, and one Peak Reduction Certificate (**PRC**) represents 0.1 kilowatts of peak demand reduction capacity, averaged over one hour.[b]

Each year the schemes are expected to meet separate targets for the reduction of energy use and creation of peak demand reduction capacity. Under the Act electricity retailers operating in NSW and other specified liable parties, known as Scheme Participants, are required to meet these targets by purchasing and surrendering certificates equivalent to their targets. This creates the demand for certificates.

The overall certificate supply and demand process of the Safeguard is depicted in Figure 1.1.

Figure 1.1 Overview of certificate supply and demand process

* Scheme Participants (mainly electricity retailers) are legally required to participate in the schemes and must surrender certificates to meet an individual annual target

More detailed information about the schemes is available on our website.

1.3 Safeguard legislation

We administer the Safeguard in accordance with 5 key pieces of legislation:

- the *Electricity Supply Act 1995*, of which Schedule 4A sets out the legal framework of the Safeguard and the functions and responsibilities of the Scheme Regulator and Scheme Administrator
- the *Electricity Supply (General) Regulation 2014* (**Regulation**), which supports the Act and describes the core functions of the Scheme Regulator and Scheme Administrator including:
  - for the Scheme Regulator, the principles governing compliance with the individual energy savings targets for Scheme Participants
  - for the Scheme Administrator, the requirements for accrediting and auditing ACPs, and rules around the creation and transfer of certificates

[a] A megawatt hour is equivalent to 1 million watts of electricity being used for an hour.
[b] This is equivalent to a capacity to reduce peak demand by 100 watts over one hour.

- the *Energy Savings Scheme Rule of 2009* (**ESS Rule**), which applies to ACPs and their energy savings activities and sets out:
  - eligibility requirements
  - calculation methods for determining the number of certificates that can be created
- the *Peak Demand Reduction Scheme Rule of 2022* (**PDRS Rule**), which applies to ACPs and their peak demand reduction activities, sets out:
  - eligibility requirements
  - calculation methods for determining the number of certificates that can be created
- the *Peak Demand Reduction Scheme Compliance Rule of 2022*, which sets out:
  - how the Scheme Regulator must calculate the forecast peak demand
  - how Scheme Participants determine individual liable demand when purchasing electricity outside of the National Electricity Market, and that purchase is not measured by an interval meter.

1.4 IPART's role and delegation of functions

IPART is appointed as the Scheme Regulator and Scheme Administrator for the Safeguard under the Act.

The Scheme Regulator role relates to activities of Scheme Participants, while the Scheme Administrator role relates to activities of ACPs. IPART is responsible for:

- administering the scheme by applying the Safeguard legislation
- reporting on the performance of the schemes and its participants to the Minister each year.

The Tribunal comprised Carmel Donnelly PSM as Chair and Sandra Gamble as a Tribunal Member for the full period covered by this report. Deborah Cope and Jonathan Coppel were Tribunal members for different parts of the period covered by this report.

The Tribunal delegated its ESS and PDRS functions to the Energy Sustainability Schemes Committee (**ESS Committee**),[c] which comprised Sandra Gamble as Chair, with Fiona Towers and Chris Spangaro as Committee Members, for the period covered by this report. The current Tribunal and ESS Committee members are available on IPART's website.

ESS and PDRS functions of the Scheme Regulator and Scheme Administrator were exercised by the ESS Committee. IPART staff performed administrative functions delegated to them by the Tribunal for administrative efficiency. Where warranted, delegated decisions were escalated to the ESS Committee or Tribunal.

[c] Under clauses 55, 57, 124, and 126 IPART may, with the approval of the Minister, delegate the exercise of its functions as Scheme Regulator and Scheme Administrator (except the ability to delegate its functions) to another person or body.

1.5 Changes to the schemes

1.5.1 How we administer the schemes

Our role as the Scheme Administrator and Scheme Regulator is defined by legislation and the terms of our appointment. We administer the schemes using a risk-based regulatory approach, with a strong focus on actively maintaining scheme integrity and promoting scheme objectives to realise positive sustainability and cost of living outcomes for the people of NSW. In response to ongoing growth and diversity in activity within the schemes, we have implemented continuous improvement programs to enhance our capacity to effectively manage licensing and compliance.

We take a proactive, risk-based regulatory approach that prioritises regulatory oversight and enforcement based on the level of risk associated with non-compliance and accounts for the evolving nature of the schemes. We focus our resources on high-risk areas, reducing the regulatory burden on compliant businesses and maximising scheme outcomes. Our Compliance Priorities for 2023–24 focussed our compliance attention and resources for ACPs on emerging activities and business models, especially for heat pump water heaters, air conditioners, PDRS activities and consumer protection. We also work closely with other regulators to promote scheme objectives and good consumer outcomes.

We used this approach in 2023 when we observed inappropriate conduct for heat pump water heater activities under the ESS and PDRS. Changes to the ESS Rule in 2022 resulted in increased activity and new businesses involved in installing heat pump water heaters in households and businesses. Consumer complaints increased in the following months. To address these concerns, in 2023 we used a combination of proactive and reactive measures including issuing notices, taking regulatory action, actively encouraging a coordinated compliance approach across regulators, engaging with industry bodies, monitoring and responding to consumer complaints and enquiries, and publishing consumer fact sheets. See section 4.1 for more information about our compliance approach.

We also supported Scheme Participants to effectively fulfil their obligations and in turn meet certificate targets.

1.5.2 Amendments to the Rules

The ESS and PDRS Rules are regularly updated. Rule changes are approved by the Minister, and managed by the NSW Department of Climate Change, Energy, the Environment and Water (DCCEEW).

In 2023, the ESS Rule was amended to add new eligible fuels and new Recognised Energy Savings Activity criteria that focus on reducing consumption of non-renewable fuels and excluding activities that increase gas consumption. Other minor changes were made to simplify and clarify the Rule.

No changes to the PDRS Rule were made during the 2023–24 PDRS reporting period.

2 Scheme performance

The schemes drive certificate creation to encourage NSW households and businesses to reduce their energy use and peak demand. This chapter describes the performance of the schemes for the relevant compliance periods:

- ESS – 1 January 2023 – 31 December 2023
- PDRS – 1 April 2023 – 31 March 2024.

Overall, the number of ESCs created were double the 2023 ESS certificate target, and the number of PRCs created were almost 4 times the 2023–24 PDRS certificate target. Activity was driven largely by heat pump water heater, air conditioner and refrigerated display cabinet activities.

2.1 Certificate creation, surrenders and surplus

2.1.1 Energy Savings Scheme

In 2023, ACPs created 10,387,223 ESCs, 57% higher than the number of ESCs created in 2022. Scheme Participants surrendered 5,159,631 ESCs[d] for the 2023 compliance year – 5,126,736 ESCs to meet 2023 individual energy savings targets and 32,895 ESCs to remedy shortfalls carried forward from 2022.

The number of ESCs created in 2023 was slightly more than double the number of ESCs required to meet the 2023 target. This resulted in a significant increase in the ESC surplus. Historically, the cumulative surplus of ESCs has steadily grown each year as annual certificate creation generally exceeds the number of certificates surrendered (see Table 2.1).[e] The 2023 surplus of 12,407,536 ESCs will exceed the number of certificates required to be surrendered for the 2024 compliance year. Surplus ESCs do not expire and may be surrendered by Scheme Participants to meet their obligations in later years.

IPART's role is to administer and regulate the ESS and it does not play a role in managing the market or setting certificate prices. The indicative ESC price varied in 2023, with a high of $33 in January and a low of $24 in December (compared to a range from $31 to $37 in 2022). More information on the ESC price is available in DCCEEW's Final Statutory Review report: NSW Energy Savings Scheme[f].

[d] In 2023 65 ESCs were revived due to a Scheme Participant overestimating its liability and surrendering certificates equivalent to that liability. We identified the over-reporting and returned the ESCs. The ESCs surrendered in 2023 calendar year figure in Table 2.1 includes the 65 ESCs surrendered.

[e] Excluding 2021, which was impacted by state-wide lockdowns occurring due to the COVID-19 pandemic.

[f] Final statutory review report

Table 2.1 Supply and surplus of ESCs

Year	Net ESCs created	ESCs surrendered in calendar year[a]	Revived certificates[b]	Surplus of certificates in calendar year	Cumulative certificate surplus	Sum of individual annual energy savings targets[c]
2009	276,942	148,928	0	128,014	128,014	298,118
2010	764,385	651,655	0	112,730	240,744	858,004
2011	1,079,407	1,063,564	0	15,843	256,587	1,414,315
2012	2,553,627	1,885,240	0	668,387	924,974	1,857,069
2013	4,121,802	2,491,055	0	1,630,747	2,555,721	2,433,461
2014	3,023,249	2,700,190	26,603	349,662	2,905,383	2,698,830
2015	2,971,703	2,706,669	0	265,034	3,170,417	2,788,055
2016	4,280,155	3,766,762	0	513,393	3,683,810	3,794,614
2017	4,686,092	4,063,989	0	622,103	4,305,913	4,076,779
2018	5,148,670	4,331,734	0	816,936	5,122,849	4,330,051
2019	4,862,438	4,866,779	0	−4,341	5,118,508	4,649,936
2020	4,962,228	4,458,119	34,816	538,925	5,657,433	4,546,509
2021	4,262,581	4,581,448	0	−318,867	5,338,566	4,512,439
2022	6,636,165	4,794,787	0	1,841,378	7,179,944	4,884,583
2023	10,387,223	5,159,696	65	5,227,592	12,407,536	5,170,851
Totals	**60,016,667**	**47,670,615**	**61,484**	**12,407,536**		

a. The surrendered ESCs include ESCs surrendered to cover shortfalls carried over from previous compliance years.
b. In 2023 65 ESCs were revived due to a Scheme Participant (SP) overestimating its liability and surrendering certificates equivalent to that liability. We identified the over-reporting and returned the ESCs. In earlier years revivals related to amended assessments and an inconsistency in how SPs had been reporting liable acquisitions
c. The sum of individual energy savings targets is the total number of certificates SPs were required to surrender for that compliance year. Because some of this liability has been covered by penalty payments, the number of ESCs surrendered can be less than the total number required by the target.

2.1.2 Peak Demand Reduction Scheme

In the 2023–24 compliance period ACPs created 30,468,686 PRCs, more than 8 times the number created in the previous year, which was the first year of the PDRS. Activity was driven primarily by heat pump water heater and refrigerated display cabinet activities.

Scheme Participants surrendered 7,834,465 PRCs to meet their 2023–24 individual certificate targets and 59,716 PRCs to remedy shortfalls carried forward from 2022–23. The number of PRCs created in 2023–24 was significantly more than the number of PRCs surrendered, resulting in a cumulative certificate surplus of 22.23 million PRCs (Table 2.2).

Table 2.2 Supply and surplus of PRCs

Compliance period	Net PRCs created	PRCs surrendered for the compliance period	Revived certificates	Surplus of certificates in compliance period	Cumulative certificate surplus	Scheme certificate target
2022–23	3,492,502	3,834,984	0	–342,482	–342,482	3,911,112
2023–24	30,468,686	7,894,181	0	22,574,505	22,232,023	7,904,563
Totals	**33,961,188**	**11,729,165**	**0**	**22,232,023**		

The indicative price for PRCs varied in 2023–24, with a high of $2.34 in April 2023 and a low of $1.13 in February 2024. IPART does not play any role in setting certificate prices, which are determined by the market. The supply of PRCs and PRC surplus may change in response to events after the period covered by this report and market forces. Surplus PRCs may be surrendered by Scheme Participants to meet their obligations in later years.

The PDRS peak demand reduction target is increasing each year. It will increase from 1% of forecast peak demand in 2023–24 to 3% of forecast peak demand in 2024–25. This means 24,125,386 certificates will be required to meet the target in 2024–25.

2.2 Scheme outcomes

Activities that take place under the ESS and the PDRS deliver energy savings and create peak demand reduction capacity over the lifetime of the activity, which varies for different activities but is typically 10-12 years. Past ESS and PDRS activities continue delivering energy savings and peak demand capacity into the future (Table 2.3 and Table 2.4). Energy savings from the ESS also translate to direct savings for households and businesses and greenhouse gas reductions (Box 2.1).

Energy savings in 2023 and over the next 10 years from ESS activities delivered from 2009 to 2023 are summarised in Table 2.3.

Table 2.3 Estimated actual energy savings from the ESS (MWh)

	2023	2024–2033
Electricity	4,655,569	23,333,612
Gas	238,341	1,077,536

Peak demand capacity made available in 2023–24 and over the next 10 years from PDRS activities delivered up to 2023–24 is outlined in Table 2.4.

Table 2.4 Estimated peak demand reduction capacity made available from the PDRS (MW)

Compliance period	22–23	23–24	24–25	25–26	26–27	27–28	28–29	29–30	30–31	31–32	32–33	33–34
Peak demand reduction (MW)	4.77	44.03	44.19	44.25	44.24	44.26	44.13	44.17	43.99	43.73	43.18	40.34

Box 2.1 Scheme outcomes

In 2023 the ESS delivered an estimated 4,656 GWh of electricity savings and 238 GWh of gas savings to end users from activities delivered up to the end of 2023. These activities will deliver an estimated 23,334 GWh of electricity savings and 1,078 GWh of gas savings to end users over the next 10 years (Table 2.3).

The energy savings delivered in 2023 reduced bills for households and businesses by an estimated $823 million.[g] The ESS is estimated to have reduced greenhouse gas emissions by an estimated 2.4 million tonnes of CO_2-equivalent in 2023.[h]

The PDRS made available an estimated 44.03 MW of peak reduction capacity during the 2023–24 peak demand period (1 November to 31 March), a significant increase from 2022–23 (Table 2.4). Approximately 44 MW of capacity is estimated to be available over the 8 following summers, reducing slightly in the last 2 summers.

[g] Estimated by multiplying electricity and gas energy savings for residential/small business and large businesses by average electricity and gas prices for residential/small business and large businesses respectively, and subtracting the costs of the ESS.

[h] Source: Department of Climate Change, Energy, the Environment and Water, Final statutory review report: NSW Energy Savings Scheme, June 2025.

3 Scheme Participant compliance

Scheme Participants – typically electricity retailers – are required to participate in the ESS and PDRS. Scheme Participants have obligations under the Act to surrender certificates to meet their:

- individual energy savings target under the ESS
- individual certificate target under the PDRS.

These targets establish the demand for certificates which creates the financial incentive for ACPs to conduct energy savings and peak demand reduction activities under the schemes.

Scheme Participants must also comply with other obligations under the Act including various reporting obligations and the payment of penalties (where applicable).

3.1 ESS Scheme Participant compliance

The number of entities required to participate in the ESS declined in 2023 to 111 Scheme Participants (Table 3.1). The decline since 2022 largely reflects that several Scheme Participants went into administration and ceased operating in NSW.

Table 3.1 Number of ESS Scheme Participants

	2019	2020	2021	2022	2023
ESS Scheme Participants	90	102	112	118	111

3.1.1 Compliance with individual energy savings targets

A Scheme Participant's individual energy savings target is determined by multiplying their liable acquisitions by the ESS target (9.5% in 2023). For most Scheme Participants their liable acquisitions for 2023 were equivalent to their total gross electricity purchased from the Australian Energy Market Operator (**AEMO**) less any exemptions they are entitled to claim.

For the scheme to operate effectively, Scheme Participants need to meet their individual energy savings target obligation by surrendering certificates equivalent to their individual energy savings target. A Scheme Participant that does not surrender sufficient certificates to meet their target has an 'energy savings shortfall'. They can choose to pay a penalty to cover the shortfall or carry forward up to 10% of their target to the following year.

In 2023, Scheme Participants' compliance with their individual energy savings target obligations was high, with 97% meeting their obligations by surrendering certificates, carrying forward a shortfall or paying a penalty, compared to 91% in 2022. Most Scheme Participants elected to surrender ESCs to meet their obligations, and typically only elected to pay a penalty where they were unable to buy ESCs in suitable quantities (such as when they had a small target).

Of 111 Scheme Participants, 94 met their individual energy savings target:

- 44 surrendered enough certificates to meet their target
- 50 had no liable acquisitions.

Fourteen of the remaining Scheme Participants met their obligations by either carrying forward a shortfall to 2024 or paying a shortfall penalty.

Three Scheme Participants did not comply with their obligations to pay a penalty payment because they were in external administration. The Scheme Regulator deemed two of these penalty payments irrecoverable based on advice from the liquidators that a return to unsecured creditors was unlikely. The third was deemed irrecoverable because the expense incurred in seeking to recover the penalty payment would be greater than the size of the penalty payment itself. The Scheme Regulator decided to write off these penalty payments (see section 3.1.2 below).

Table A.1 summarises the performance of each Scheme Participant in relation to their individual energy savings target for 2023.

3.1.2 Compliance with other obligations

Scheme Participants have additional obligations under the Act to:

- lodge an annual energy savings statement with the Scheme Regulator by 15 November 2024
- remedy any carried forward shortfall from the previous year by surrendering the number of certificates equivalent to the shortfall or paying a shortfall penalty
- pay the Scheme Regulator any energy savings shortfall penalty by 2 May 2025.

The extent to which ESS Scheme Participants complied with these obligations is summarised in Table 3.2.

Table 3.2 Scheme Participants' compliance with other ESS obligations under the Act

Obligations under Schedule 4A to the Act	Scheme Participants that met obligations	Scheme Participants that did not meet obligations
Clause 26(1) – Lodge an annual energy savings statement by 15 November 2024[a]	106	5
Clause 20(1) - Remedy any carried forward shortfall from the previous year	9	0
Clause 18(1) – Pay any energy savings shortfall penalty payable by 2 May 2025[b]	11	3

a. Default liability assessments were made for Scheme Participants that did not lodge their annual energy savings statement by the due date.

b. Scheme Participants that did not resolve their liability by surrendering certificates or carrying forward a shortfall were issued penalty payment invoices. The Scheme Regulator decided to write off the penalty payments for three ESS Scheme Participants that had outstanding payments as at 20 June 2025 as they were in external administration.

3.2 PDRS Scheme Participant compliance

In 2023–24, 107 Scheme Participants were required to participate in the PDRS (compared to 109 in 2022–23).[i]

3.2.1 Compliance with individual certificate targets

A Scheme Participant's individual certificate target is determined by multiplying their portion of scheme liable demand – that is, their liable acquisitions divided by the sum of all Scheme Participants' liable acquisitions – by the scheme certificate target for the year.

Most Scheme Participants' liable acquisitions are equivalent to their total gross electricity purchase from AEMO during the relevant period less any exemptions they are entitled to claim. For the PDRS, liable acquisitions only need to be reported for the 6 hours of the peak (2:30 to 8:30 pm AEST) on the 4 days with the highest maximum demand in the compliance period (1 November 2023 to 31 March 2024). These 4 peak days were 14 December 2023 and 21 January, 23 February and 29 February 2024. The scheme certificate target for 2023–24 was 7,904,563 certificates.

Scheme Participants meet their individual certificate target obligation by surrendering certificates equivalent to their individual certificate target. A Scheme Participant that surrenders less certificates than their individual certificate target can carry forward a shortfall of up to 10% of their target to the following year or may be liable to pay a penalty.

In 2023–24, Scheme Participants' compliance with their individual certificate target obligations was high, with 99% meeting their obligations by surrendering certificates, carrying forward a shortfall or paying a penalty (compared to 96% in 2022–23). Most Scheme Participants elected to surrender PRCs to meet their obligations, typically electing to pay a penalty where they were unable to buy PRCs in suitable quantities (such as when they had a small target).

For the 2023–24 compliance period, of 107 Scheme Participants, 90 met their individual certificate target:

- 41 surrendered enough certificates to meet their target
- 49 had no liable acquisitions.

Sixteen of the remaining Scheme Participants met their obligations by either carrying forward a shortfall or paying a shortfall penalty.

One Scheme Participant did not comply because it had a very small penalty that was not paid. The Scheme Administrator wrote off this penalty (see section 3.2.2 below).

Table A.2 summarises the performance of each Scheme Participant in relation to their individual certificate target for the 2023–24 compliance period.

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[i] The number of PDRS Scheme Participants was lower than for the ESS due to the AER revoking ESS Scheme Participants electricity retailer authorisation before the PDRS compliance period.

3.2.2 Compliance with other obligations

Scheme Participants had additional obligations under the Act to:

- notify the Scheme Regulator by 15 November 2024 if they intend to rely on an exemption or have any liable acquisitions that are purchases of electricity from a person other than AEMO (we aligned this obligation with the individual liable demand submission deadline)
- notify the Scheme Regulator of the Scheme Participant's individual liable demand by 15 November 2024
- lodge an annual statement with the Scheme Regulator by 18 March 2025
- remedy any carried forward shortfall from the previous year by surrendering the number of certificates equivalent to the shortfall or paying a shortfall penalty
- pay the Scheme Regulator any shortfall penalty payable by 2 May 2025.

The extent to which PDRS Scheme Participants complied with these obligations is summarised in Table 3.3.

Table 3.3 Scheme Participants' compliance with other PDRS obligations under the Act

Obligations under Schedule 4A to the Act	Scheme Participants that met obligations	Scheme Participants that did not meet obligations
Clause 88 – Notify the Scheme Regulator of exemptions and liable acquisitions by 15 November 2024[a]	105	2
Clause 89(4) – Notify the Scheme Regulator of individual liable demand by 15 November 2024[b]	105	2
Clause 103(1) – Lodge an annual statement by 18 March 2025	107	0
Clause 102(1) - Remedy any carried forward shortfall from the previous year	7	0
Clause 100(1) – Pay any shortfall penalty payable by 2 May 2025	11	3[c]

a. We aligned this obligation with the individual liable demand submission deadline.
b. Default assessments were made for Scheme Participants that did not notify us of their individual liable demand or lodge their annual statements. Some Scheme Participants went into external administration or were deregistered since the end of the compliance period.
c. Scheme Participants that did not resolve their liability by surrendering certificates or carrying forward their shortfall were issued penalty payment invoices. Two Scheme Participants paid penalties within 1 week of the deadline. One very small penalty was written off.

4 Accredited Certificate Provider compliance

ACPs are voluntary participants of the schemes that are accredited to create certificates from recognised energy saving and peak demand reduction activities in NSW. ACPs have a range of legal obligations under the Act, Regulation and Rules, and must comply with their conditions of accreditation (Box 4.1). We actively engage with ACPs to educate them about the schemes and their obligations so they can build their capability to operate successfully within the parameters of the scheme. We also monitor their compliance with their obligations.

A major focus of our compliance activity is using audits to provide assurance over certificates created for energy savings and peak demand reduction capacity. We also receive and act on information from other sources, including customers. Where we detect non-compliance, we act to protect the integrity of the schemes.

Box 4.1 ACP obligations

An ACP's key obligations include complying with:

- the requirements of the Act, Regulation and Rules
- the conditions of accreditation set out in its Accreditation Notice, such as engaging an auditor to undertake an audit of its certificate creation and record keeping.

The Act sets out offences relating to non-compliance with these obligations including:

- improperly creating certificates (clauses 36 and 108 of Schedule 4A)
- contravening the conditions of accreditation (clauses 41 and 114 of Schedule 4A)
- obstructing the Scheme Administrator (clauses 60 and 129 of Schedule 4A)
- supplying false or misleading information (clauses 61 and 130 of Schedule 4A).

4.1 Our approach to compliance

We use a risk-based compliance approach that prioritises regulatory oversight and enforcement based on the level of risk associated with non-compliance. We focus our resources on high-risk areas, reducing the regulatory burden on compliant businesses and maximising scheme outcomes. By prioritising compliance actions on high-risk areas, we also aim to signal a general deterrence to other ACPs to prevent misconduct in the industry. We achieve these outcomes through a combination of proactive and reactive measures such as notices and fact sheets, targeted inspections, monitoring (through audit), and enforcement actions.

Where we find instances of non-compliance, we take action based on the risk posed by the non-compliance. In some instances, we impose additional accreditation conditions, such as requiring pre-registration audits of the proposed certificate creation or reducing the number of certificates that can be registered before an audit is required. In more serious cases of non-compliance we may consider further enforcement action such as suspending or cancelling an accreditation, requiring the forfeit of certificates, or issuing penalty notices.

We also work closely with other regulators. We shared information with Building Commission NSW to target inspection activity and address the risk of poor installations of heat pump water heaters, and with the Greenhouse and Energy Minimum Standards Regulator to focus on the monitoring of non-compliant refrigerated display cabinets.

We used this approach in 2023 when we observed inappropriate conduct for heat pump water heater activities under the ESS and PDRS (see Box 4.2). We also continued our compliance focus on refrigerated display cabinet activities in 2023.

Box 4.2 Heat pump water heater compliance action

Changes to the ESS Rule in February 2022 resulted in increased activity and new businesses involved in the installation of heat pump water heaters in households and businesses. We saw an increase in consumer complaints about this activity in the following months. To address these concerns, in 2023 we:

- issued notices in March and July 2023 to identify non-compliance risks and promote ACP compliance awareness and self-education
- included heat pump water heaters in our compliance priorities
- closely reviewed audits for heat pump activities, and where non-compliance was identified took regulatory action including requiring certificates to be forfeited
- facilitated a coordinated compliance approach across regulators by actively engaging with other relevant agencies, including NSW Fair Trading, Building Commission NSW and DCCEEW
- engaged with industry bodies to discuss concerns and ways in which they could encourage their members to meet their obligations
- included an article on heat pump water heater compliance in our newsletter
- closely monitored and responded to complaints and enquiries about heat pump water heaters
- published consumer fact sheets that ACPs are required to give their customers to help consumers make informed decisions about installing heat pump water heaters.

Rule changes in 2023 and 2024 and other compliance initiatives, combined with a declining ESC price, have since resulted in a significant decline in heat pump water heater activity.

4.1.1 Compliance priorities for 2023–24

Our 2023–24 Compliance Priorities were:

- emerging scheme activities including heat pumps, air conditioners and other new activities
- PDRS activities
- Scheme Participant liability
- consumer protection.

Being transparent about our compliance priorities helps businesses understand where compliance attention will be focussed and take steps to address identified risks. It helps us target resources to areas of greatest risk and actively maintain the integrity of the schemes to realise scheme objectives and positive sustainability and cost of living outcomes for the people of NSW.

4.1.2 Consumer protection

While we don't have a direct role in consumer protection, in our role as Scheme Administrator we implement rules and develop guidance that promote good consumer outcomes, which are integral to achieving scheme objectives. We also work with NSW Fair Trading, which has a role in safeguarding consumer rights and can provide information to assist with resolving complaints and disputes against companies and the products or services they provide. We also collaborate with Building Commission NSW, which regulates the building industry and can assist with resolving complaints relating to incomplete or defective trade work.

4.1.3 Audits

Audits of ACPs help us monitor compliance. We use pre-registration and post-registration audits to provide assurance that certificates will be or have been created in accordance with the legislation. We typically impose a pre-registration or volumetric audit condition in an ACPs accreditation notice. Pre-registration audit conditions require audits to be conducted before certificates can be registered. Post-registration (volumetric) audit conditions allow ACPs to create certificates before they are audited. There is a limit to the number of unaudited certificates that can be registered, and audits must be conducted at least once every 12 months. All audits are conducted by members of the Audit Services Panel.

A material error can either be quantitative or qualitative. A quantitative material error is when the absolute error rate (as determined by the auditor) is greater than or equal to 5%. A qualitative material error is determined by the auditor; it typically relates to issues identified by the auditor that reduce their confidence that the auditee has adequate systems in place to support certificate creation.

The Scheme Administrator seeks reports from ACPs on progress with implementing audit recommendations. Subsequent audits test ACP implementation of those recommendations.

4.2 ESS ACP compliance

4.2.1 ACPs accredited

In 2023 119 ACPs were accredited under the ESS, of which 59 registered certificates for implementations that took place in the compliance year (see Table B.1 for more details). The level of compliance by most ESS ACPs was high. As in previous years, all identified non-compliances related to improper creation of certificates. Typical reasons for improper creation included insufficient evidence to support energy savings, installed equipment not maintaining service levels post-implementation and errors in energy savings calculations.

4.2.2 ACP compliance activity

In 2023, the Audit Services Panel conducted 157 audits (87 post-registration and 70 pre-registration audits) of 52 ESS ACPs, covering 79 accreditations (see Table B.2 for details of audits conducted over the last 5 years).

Where non-compliance is identified, we generally disallow the creation of certificates or seek their forfeit where audit assurance is not provided. We follow up to confirm that audit recommendations are actioned and where appropriate seek rectification. This may include requiring that an equipment is properly installed or faults are fixed.

4.2.3 Errors identified by ESS post-registration audits

Improper certificate creation was identified in 35 of the 87 post-registration audits conducted, involving 9,591 improperly created certificates. This equates to less than 0.2% of certificates audited. Around half these errors related to implementation of activities of heat pumps and refrigerated display cabinets upgrades. See Table B.3 for details of non-compliances identified in post-registration audits over the last 5 years.

Two material non-compliances were identified from audits of projects completed under the Project Impact Assessment with Measurement and Verification (**PIAM&V**) calculation method (see Table 4.1 for a summary of the error rates and number of ESCs improperly created). These 2 non-compliances accounted for 50% of all improperly created certificates identified through post-registration audits.

For Sustainable Focus Pty Ltd the error related to statistical parameters for the regression model being outside acceptable bounds specified in the PIAM&V method requirements. For GPRD Global Pty Ltd issues were found with the non-routine adjustments made to the calculations. Both ACPs agreed to forfeit the improperly created ESCs.

Table 4.1 Material improper creation by post-registration audits in 2023

Accredited Certificate Provider	Calculation Method	Over-creation	Error rate (%)	ESCs forfeited
Sustainable Focus Pty Ltd	Project Impact Assessment with Measurement and Verification	903	18.6	903
GPRD Global Pty Ltd	Project Impact Assessment with Measurement and Verification	3,864	12.3	3,595

Audits did not identify any material non-compliance other than improper certificate creation.

4.2.4 Errors identified by ESS pre-registration audit

Of the 70 pre-registration audits completed in 2023, 22 audits identified non-compliance related to improper certificate calculation. Two of these audits identified material errors. In both cases, incorrect calculation of energy savings resulted in under-calculation of ESCs, representing 2,601 ESCs and an error rate of 23.5%, and 2,925 ESCs and error rate of 83.9% respectively.

4.2.5 Penalty notices and administrative reviews

No penalty notices were issued or administrative reviews undertaken in the 2023 ESS compliance period.

4.3 PDRS ACP compliance

4.3.1 ACPs accredited

The number of PDRS ACPs increased from 20 to 53 in the second year of PDRS operation. The most popular activities included air conditioning in residential and small business properties, refrigerated display cabinets and heat pump water heaters. Table B.4 summarises the number of ACPs and their PDRS accreditations at the end of each compliance period.

4.3.2 ACP compliance activity

PDRS compliance activities commenced after the end of the first compliance period, with audits commencing in August 2023. PDRS audits in 2023 were only for the Reducing Demand using Efficiency (**RDUE**) method. RDUE activities closely relate to some ESS activities, such as heat pump water heaters and refrigerated display cabinets. PDRS and ESS audits were generally completed simultaneously for the same sites.

In 2023–24, the Audit Services Panel conducted 27 post-registration audits and 31 pre-registration audits of 22 PDRS ACPs.

Where non-compliance is identified, we generally disallow the creation of certificates or seek their forfeit where audit assurance is not provided. We follow up to confirm that audit recommendations are actioned and where appropriate seek rectification. This may include requiring that an equipment is properly installed or faults are fixed.

4.3.3 Errors identified by PDRS post-registration audits

Of the 27 post-registration audits conducted in 2023–24, 15 implementations from 6 ACPs (in 7 audits) did not receive audit assurance. These implementations represented 13,889 certificates (equivalent to 0.1% of certificates audited in this period). All were for hot water system replacements. Most of the 'no assurance' opinions related to reduced service levels or inadequate outcomes for customers. Six implementations involved duplicates of claims for which another ACP had already been nominated.

No material improper creation of certificates or other material non-compliance was identified through PDRS post-registration audits in 2023–24.

4.3.4 Errors identified by PDRS pre-registration audits

Of the 31 PDRS pre-registration audits completed in 2023–24, 12 audits identified non-compliances relating to improper certificate calculation. As a result of these pre-registration audits, we avoided improper creation of certificates.

One of these audits identified a material error of 430,408 improperly calculated PRCs, resulting in a 66% error rate. The error related to replacement equipment not being of the same product class as the original equipment. The Scheme Administrator did not allow creation of the improperly calculated PRCs. The audit recommended the ACP review its understanding of relevant PDRS Rule requirements, update its guidelines and procedures, and provide refresher training to all relevant employees and contractors. It also recommended the ACP review and modify its business model and record keeping systems to meet compliance with its obligations.

4.3.5 Penalty notices and administrative reviews

No penalty notices were issued or administrative reviews undertaken in the 2023–24 PDRS compliance period.

Appendices

A Scheme Participant compliance with obligations

Table A.1 ESS Scheme Participant performance in relation to individual energy savings targets for 2023

Scheme Participant	Surrender of certificates	Shortfall carried forward	Shortfall penalty payment	Met individual energy savings target?	Complied with 2023 individual energy savings target obligations?
1st Energy Pty Ltd	100%	0%	0%	Yes	Yes
AGL Hydro Partnership	100%	0%	0%	Yes	Yes
AGL Macquarie Pty Ltd	100%	0%	0%	Yes	Yes
AGL Sales (Queensland Electricity) Pty Ltd	100%	0%	0%	Yes	Yes
AGL Sales Pty Ltd	100%	0%	0%	Yes	Yes
Alinta Energy Retail Sales Pty Ltd	100%	0%	0%	Yes	Yes
Altogether Group Pty Ltd	0%	0%	100%	No	Yes
Amber Electric Pty Ltd	100%	0%	0%	Yes	Yes
Ampol Energy (Retail) Pty Ltd	100%	0%	0%	Yes	Yes
Berrybank 2 Asset Pty Ltd as trustee for Berrybank 2 Asset Trust	100%	0%	0%	Yes	Yes
Blue NRG Pty Ltd	90%	10%	0%	No	Yes
CleanCo Queensland Limited	100%	0%	0%	Yes	Yes
CovaU Pty Limited	100%	0%	0%	Yes	Yes
CPE Mascot Pty Ltd	100%	0%	0%	Yes	Yes
CSR Building Products Ltd	100%	0%	0%	Yes	Yes
Darlington Point Solar Farm Pty Ltd	0%	0%	100%	No	Yes
Delta Power & Energy (Vales Point) Pty Ltd	100%	0%	0%	Yes	Yes
Diamond Energy Pty Ltd	100%	0%	0%	Yes	Yes
Discover Energy Pty Ltd	100%	0%	0%	Yes	Yes
DPESS Pty Ltd as the Trustee for the DPESS Trust	0%	0%	100%	No	Yes

Scheme Participant	Surrender of certificates	Shortfall carried forward	Shortfall penalty payment	Met individual energy savings target?	Complied with 2023 individual energy savings target obligations?
Energy Locals Pty Ltd	100%	0%	0%	Yes	Yes
ENERGY SERVICES MANAGEMENT PTY LTD	0%	0%	100%	No	Yes
EnergyAustralia	100%	0%	0%	Yes	Yes
EnergyAustralia Yallourn	100%	0%	0%	Yes	Yes
ENGIE Retail	100%	0%	0%	Yes	Yes
Ergon Energy Queensland Pty Ltd	131%	0%	0%	Yes	Yes
Finley Solar Farm Pty Ltd as the Trustee for Finley Solar Trust	0%	0%	100%	No	Yes
GEE Power & Gas Pty Ltd	0%	0%	100%	No	Yes
Globird Energy Pty Ltd	100%	0%	0%	Yes	Yes
Group Energy Pty Ltd	100%	0%	0%	Yes	Yes
Hanwha Energy Retail Australia Pty Ltd	100%	0%	0%	Yes	Yes
Iberdrola Australia Energy Markets Pty Limited	100%	0%	0%	Yes	Yes
Iberdrola Australia Wallgrove Pty Limited	100%	0%	0%	Yes	Yes
Locality Planning Energy Pty Ltd	0%	0%	100%	No	Yes
Localvolts Pty Ltd	0%	9%	91%	No	Yes
M2 Energy Pty Ltd	100%	0%	0%	Yes	Yes
Mojo Power Pty Ltd	0%	0%	0%	No	No
Momentum Energy Pty Limited	100%	0%	0%	Yes	Yes
MTA Energy	94%	6%	0%	No	Yes
Next Business Energy Pty Ltd	100%	0%	0%	Yes	Yes
Online Power and Gas Pty Ltd	100%	0%	0%	Yes	Yes
Origin Energy Electricity Ltd	100%	0%	0%	Yes	Yes
OVO Energy Pty Ltd	100%	0%	0%	Yes	Yes
Pacific Blue Retail Pty Ltd	100%	0%	0%	Yes	Yes
Powershop Australia Pty Limited	100%	0%	0%	Yes	Yes

Scheme Participant	Surrender of certificates	Shortfall carried forward	Shortfall penalty payment	Met individual energy savings target?	Complied with 2023 individual energy savings target obligations?
Powow Power Pty Ltd	0%	0%	100%	No	Yes
Progressive Green Pty Ltd	100%	0%	0%	Yes	Yes
QEnergy Limited	0%	0%	0%	No	No
ReAmped Energy Pty Ltd	100%	0%	0%	Yes	Yes
Red Energy Pty Limited	90%	10%	0%	No	Yes
Sanctuary Energy Pty Ltd	0%	0%	0%	No	No
Shell Energy Retail Pty Ltd	100%	0%	0%	Yes	Yes
Smart Energy Retail Pty Ltd	0%	0%	100%	No	Yes
SmartestEnergy Australia	100%	0%	0%	Yes	Yes
Stanwell Corporation Limited	100%	0%	0%	Yes	Yes
Sumo Power Pty Ltd	100%	0%	0%	Yes	Yes
Telstra Energy (Retail) Pty Ltd	100%	0%	0%	Yes	Yes
Tomago Aluminium Company Pty Ltd	100%	0%	0%	Yes	Yes
Veolia Energy (ANZ) Pty Ltd	0%	0%	100%	No	Yes
YES Energy (SA) Pty Ltd	100%	0%	0%	Yes	Yes
ZEN ENERGY RETAIL PTY LTD	100%	0%	0%	Yes	Yes
ActewAGL Retail Ltd		no liable acquisitions		Yes	Yes
Active Utilities Retail Pty Ltd		no liable acquisitions		Yes	Yes
AGL South Australia Pty Ltd		no liable acquisitions		Yes	Yes
Apex Energy Holdings Pty Ltd		no liable acquisitions		Yes	Yes
Arc Energy Corporation Pty Ltd		no liable acquisitions		Yes	Yes
ARC Utilities Management Pty Ltd		no liable acquisitions		Yes	Yes
Aurora Energy Pty Ltd		no liable acquisitions		Yes	Yes
Balance Commodities and Energy Pty Ltd		no liable acquisitions		Yes	Yes
Brighte Energy Pty Ltd		no liable acquisitions		Yes	Yes
CleanPeak Energy Retail Pty Ltd		no liable acquisitions		Yes	Yes
CleanTech Energy Pty Ltd		no liable acquisitions		Yes	Yes

Scheme Participant	Surrender of certificates	Shortfall carried forward	Shortfall penalty payment	Met individual energy savings target?	Complied with 2023 individual energy savings target obligations?
Cogent Energy Pty Ltd		no liable acquisitions		Yes	Yes
CS Energy Ltd		no liable acquisitions		Yes	Yes
EDL Retail Pty Ltd		no liable acquisitions		Yes	Yes
ElectrAg Pty Ltd		no liable acquisitions		Yes	Yes
Ellis Air Connect Pty Ltd		no liable acquisitions		Yes	Yes
Energy On Pty Ltd		no liable acquisitions		Yes	Yes
Evergy Pty Ltd		no liable acquisitions		Yes	Yes
EZI Power Pty Ltd		no liable acquisitions		Yes	Yes
Genuity Retail Pty Ltd		no liable acquisitions		Yes	Yes
Humenergy Group Pty Ltd		no liable acquisitions		Yes	Yes
Iberdrola Australia Holdings Pty Limited		no liable acquisitions		Yes	Yes
iGENO Pty Limited		no liable acquisitions		Yes	Yes
Incite Energy Pty Ltd		no liable acquisitions		Yes	Yes
International Power (Retail) Pty Limited		no liable acquisitions		Yes	Yes
Lumo Energy (NSW) Pty Ltd		no liable acquisitions		Yes	Yes
Lumo Energy (QLD) Pty Ltd		no liable acquisitions		Yes	Yes
Lumo Energy (SA) Pty Ltd		no liable acquisitions		Yes	Yes
Lumo Energy Australia Pty Ltd		no liable acquisitions		Yes	Yes
Macarthur Energy Retail Pty Ltd		no liable acquisitions		Yes	Yes
Maximum Energy Retail Pty Ltd		no liable acquisitions		Yes	Yes
Metered Energy Holdings Pty Ltd		no liable acquisitions		Yes	Yes
Microgrid Power Pty Ltd		no liable acquisitions		Yes	Yes
Neighbourhood Energy Pty Ltd		no liable acquisitions		Yes	Yes
OC Energy Pty Ltd		no liable acquisitions		Yes	Yes
Positive Energy TM Pty Ltd		no liable acquisitions		Yes	Yes
Potentia Energy Retail Pty Ltd		no liable acquisitions		Yes	Yes
Powerdirect Pty Ltd		no liable acquisitions		Yes	Yes

Scheme Participant	Surrender of certificates	Shortfall carried forward	Shortfall penalty payment	Met individual energy savings target?	Complied with 2023 individual energy savings target obligations?
PowerHub Pty Ltd		no liable acquisitions		Yes	Yes
Radian Holdings Pty Ltd		no liable acquisitions		Yes	Yes
Real Utilities Pty Limited		no liable acquisitions		Yes	Yes
Savant Energy Power Networks Pty Limited		no liable acquisitions		Yes	Yes
Solstice Energy Retail Pty Ltd		no liable acquisitions		Yes	Yes
Starcorp Energy Pty Ltd		no liable acquisitions		Yes	Yes
Sun Retail Pty Ltd		no liable acquisitions		Yes	Yes
Sustainable Savings Pty Ltd		no liable acquisitions		Yes	Yes
The Embedded Networks Company Pty Ltd		no liable acquisitions		Yes	Yes
Tilt Renewables Retail Pty Ltd		no liable acquisitions		Yes	Yes
Totalenergies Gas & Power Australia Pty Ltd		no liable acquisitions		Yes	Yes
WINenergy Pty Ltd		no liable acquisitions		Yes	Yes

Table A.2 PDRS Scheme Participant performance in relation to individual certificate targets for 2023–24

Scheme Participant	Surrender of certificates	Shortfall carried forward	Shortfall penalty payment	Met individual certificate target?	Complied with 2023–24 individual certificate target obligations?
1st Energy Pty Ltd	100%	0%	0%	Yes	Yes
AGL Hydro Partnership	100%	0%	0%	Yes	Yes
AGL Macquarie Pty Ltd	100%	0%	0%	Yes	Yes
AGL Sales (Queensland Electricity) Pty Ltd	100%	0%	0%	Yes	Yes
AGL Sales Pty Ltd	100%	0%	0%	Yes	Yes
Alinta Energy Retail Sales Pty Ltd	100%	0%	0%	Yes	Yes
Altogether Group Pty Ltd[a]	0%	0%	0%	No	No
Amber Electric Pty Ltd	100%	0%	0%	Yes	Yes
Ampol Energy (Retail) Pty Ltd	100%	0%	0%	Yes	Yes
Berrybank 2 Asset Pty Ltd as trustee for Berrybank 2 Asset Trust	0%	0%	100%	No	Yes
Blue NRG Pty Ltd	93%	7%	0%	No	Yes
CleanCo Queensland Limited	0%	0%	100%	No	Yes
CovaU Pty Limited	100%	0%	0%	Yes	Yes
CPE Mascot Pty Ltd	100%	0%	0%	Yes	Yes
CSR Building Products Ltd	100%	0%	0%	Yes	Yes
Darlington Point Solar Farm Pty Ltd	0%	0%	100%	No	Yes
Delta Power & Energy (Vales Point) Pty Ltd	100%	0%	0%	Yes	Yes
Diamond Energy Pty Ltd	100%	0%	0%	Yes	Yes
Discover Energy Pty Ltd	100%	0%	0%	Yes	Yes

[a] $2 owing was written off

Scheme Participant	Surrender of certificates	Shortfall carried forward	Shortfall penalty payment	Met individual certificate target?	Complied with 2023–24 individual certificate target obligations?
DPESS Pty Ltd as the Trustee for the DPESS Trust	0%	0%	100%	No	Yes
Energy Locals Pty Ltd	100%	0%	0%	Yes	Yes
ENERGY SERVICES MANAGEMENT PTY LTD	0%	0%	100%	No	Yes
EnergyAustralia	100%	0%	0%	Yes	Yes
EnergyAustralia Yallourn	100%	0%	0%	Yes	Yes
ENGIE Retail	100%	0%	0%	Yes	Yes
Ergon Energy Queensland Pty Ltd	100%	0%	0%	Yes	Yes
Finley Solar Farm Pty Ltd as the Trustee for Finley Solar Trust	0%	0%	100%	No	Yes
GEE Power & Gas Pty Ltd	0%	8%	92%	No	Yes
Globird Energy Pty Ltd	100%	0%	0%	Yes	Yes
Group Energy Pty Ltd	95%	5%	0%	No	Yes
Hanwha Energy Retail Australia Pty Ltd	100%	0%	0%	Yes	Yes
Iberdrola Australia Energy Markets Pty Limited	100%	0%	0%	Yes	Yes
Iberdrola Australia Wallgrove Pty Limited	100%	0%	0%	Yes	Yes
Localvolts Pty Ltd	0%	10%	90%	No	Yes
M2 Energy Pty Ltd	100%	0%	0%	Yes	Yes
Momentum Energy Pty Limited	100%	0%	0%	Yes	Yes
MTA Energy	100%	0%	0%	Yes	Yes
Next Business Energy Pty Ltd	100%	0%	0%	Yes	Yes
Online Power and Gas Pty Ltd	0%	0%	100%	No	Yes
Origin Energy Electricity Ltd	100%	0%	0%	Yes	Yes
OVO Energy Pty Ltd	100%	0%	0%	Yes	Yes
Pacific Blue Retail Pty Ltd	100%	0%	0%	Yes	Yes
Potentia Energy Retail Pty Ltd	100%	0%	0%	Yes	Yes

Scheme Participant	Surrender of certificates	Shortfall carried forward		Shortfall penalty payment	Met individual certificate target?	Complied with 2023–24 individual certificate target obligations?
Powershop Australia Pty Limited	100%	0%		0%	Yes	Yes
Powow Power Pty Ltd	0%	0%		100%	No	Yes
Progressive Green Pty Ltd	100%	0%		0%	Yes	Yes
ReAmped Energy Pty Ltd	100%	0%		0%	Yes	Yes
Red Energy Pty Limited	90%	10%		0%	No	Yes
Shell Energy Retail Pty Ltd	100%	0%		0%	Yes	Yes
Smart Energy Retail Pty Ltd	0%	0%		100%	No	Yes
SmartestEnergy Australia	100%	0%		0%	Yes	Yes
Stanwell Corporation Limited	100%	0%		0%	Yes	Yes
Sumo Power Pty Ltd	100%	0%		0%	Yes	Yes
Telstra Energy (Retail) Pty Ltd	0%	9%		91%	No	Yes
Tomago Aluminium Company Pty Ltd	100%	0%		0%	Yes	Yes
Veolia Energy (ANZ) Pty Ltd	100%	0%		0%	Yes	Yes
YES Energy (SA) Pty Ltd	0%	0%		100%	No	Yes
ZEN ENERGY RETAIL PTY LTD	100%	0%		0%	Yes	Yes
ActewAGL Retail Ltd			no liable acquisitions		Yes	Yes
Active Utilities Retail Pty Ltd			no liable acquisitions		Yes	Yes
AGL South Australia Pty Ltd			no liable acquisitions		Yes	Yes
Apex Energy Holdings Pty Ltd			no liable acquisitions		Yes	Yes
Arc Energy Corporation Pty Ltd			no liable acquisitions		Yes	Yes
ARC Utilities Management Pty Ltd			no liable acquisitions		Yes	Yes
Aurora Energy Pty Ltd			no liable acquisitions		Yes	Yes
Balance Commodities and Energy Pty Ltd			no liable acquisitions		Yes	Yes
Brighte Energy Pty Ltd			no liable acquisitions		Yes	Yes

Scheme Participant	Surrender of certificates	Shortfall carried forward	Shortfall penalty payment	Met individual certificate target?	Complied with 2023–24 individual certificate target obligations?
CleanPeak Energy Retail Pty Ltd	no liable acquisitions			Yes	Yes
CleanTech Energy Pty Ltd	no liable acquisitions			Yes	Yes
Cogent Energy Pty Ltd	no liable acquisitions			Yes	Yes
CS Energy Ltd	no liable acquisitions			Yes	Yes
EDL Retail Pty Ltd	no liable acquisitions			Yes	Yes
ElectrAg Pty Ltd	no liable acquisitions			Yes	Yes
Ellis Air Connect Pty Ltd	no liable acquisitions			Yes	Yes
Energy On Pty Ltd	no liable acquisitions			Yes	Yes
Evergy Pty Ltd	no liable acquisitions			Yes	Yes
EZI Power Pty Ltd	no liable acquisitions			Yes	Yes
Genuity Retail Pty Ltd	no liable acquisitions			Yes	Yes
Humenergy Group Pty Ltd	no liable acquisitions			Yes	Yes
Iberdrola Australia Holdings Pty Limited	no liable acquisitions			Yes	Yes
iGENO Pty Limited	no liable acquisitions			Yes	Yes
Incite Energy Pty Ltd	no liable acquisitions			Yes	Yes
International Power (Retail) Pty Limited	no liable acquisitions			Yes	Yes
Locality Planning Energy Pty Ltd	no liable acquisitions			Yes	Yes
Lumo Energy (NSW) Pty Ltd	no liable acquisitions			Yes	Yes
Lumo Energy (QLD) Pty Ltd	no liable acquisitions			Yes	Yes
Lumo Energy (SA) Pty Ltd	no liable acquisitions			Yes	Yes
Lumo Energy Australia Pty Ltd	no liable acquisitions			Yes	Yes
Macarthur Energy Retail Pty Ltd	no liable acquisitions			Yes	Yes
Maximum Energy Retail Pty Ltd	no liable acquisitions			Yes	Yes
Metered Energy Holdings Pty Ltd	no liable acquisitions			Yes	Yes

Scheme Participant	Surrender of certificates	Shortfall carried forward		Shortfall penalty payment	Met individual certificate target?	Complied with 2023–24 individual certificate target obligations?
Microgrid Power Pty Ltd			no liable acquisitions		Yes	Yes
Neighbourhood Energy Pty Ltd			no liable acquisitions		Yes	Yes
OC Energy Pty Ltd			no liable acquisitions		Yes	Yes
Positive Energy TM Pty Ltd			no liable acquisitions		Yes	Yes
PowerHub Pty Ltd			no liable acquisitions		Yes	Yes
Radian Holdings Pty Ltd			no liable acquisitions		Yes	Yes
Real Utilities Pty Limited			no liable acquisitions		Yes	Yes
Savant Energy Power Networks Pty Limited			no liable acquisitions		Yes	Yes
Solstice Energy Retail Pty Ltd			no liable acquisitions		Yes	Yes
Starcorp Energy Pty Ltd			no liable acquisitions		Yes	Yes
Sun Retail Pty Ltd			no liable acquisitions		Yes	Yes
Sustainable Savings Pty Ltd			no liable acquisitions		Yes	Yes
The Embedded Networks Company Pty Ltd			no liable acquisitions		Yes	Yes
Tilt Renewables Retail Pty Ltd			no liable acquisitions		Yes	Yes
Totalenergies Gas & Power Australia Pty Ltd			no liable acquisitions		Yes	Yes
WINenergy Pty Ltd			no liable acquisitions		Yes	Yes

B Accredited Certificate Providers

Table B.1 ESS ACPS and accreditations (as at 31 December in each year)

	2019	2020	2021	2022	2023
ACPs	91	88	88	95	119
Active ACPs[a]	56	50	48	49	59
Accreditations[b]	177	177	180	187	220
Active accreditations[c]	82	81	86	77	86
New accreditations in 2023	13	8	11	15	34
Cancelled accreditations in 2023	8	8	8	8	1

a. Active means those ACPs that registered certificates for implementation in the compliance year.
b. ACPs can hold accreditations for multiple ESS methods.
c. Active means those accreditations for which ACPs registered certificates for implementations in the compliance year.

Table B.2 Number of audits of ESS ACPs

	2019	2020	2021	2022[a]	2023
Post-registration – Volumetric audit	75	74	50	72	87
Post-registration – periodic[b]	12	11	13	0	0
Post-registration – spot[b]	2	0	0	0	0
Pre-registration	54	49	43	41	70
Record keeping-only audits[b]	2	1	1	1	0
Total	**145**	**135**	**107**	**114**	**157**

a. Figures for 2022 may contain discrepancies due to migration issues during the launch of TESSA in September.
b. IPART has been moving away from periodic, spot and record-keeping only audits in the recent years. Pre-registration and volumetric audits are conducted based on compliance priorities for the year.

Table B.3 Number of post-registration audits that identified non-compliance by ESS ACPs

Type of non-compliance[a]	2019	2020	2021	2022[b]	2023
Improper creation of certificates	63	56	32	34	35
Failure to meet record keeping requirements	2	2	5	0	0
Failure to engage an auditor by the required deadline	2	3	0	0	0
Failure to meet other Accreditation Notice conditions	0	0	0	0	0
Total	**67**	**61**	**37**	**34**	**35**

a. The statistics provided in this table reflect decisions made by the Scheme Administrator.
b. Figures for 2022 may contain discrepancies due to migration issues during the launch of TESSA in September.

Table B.4 ACPs and their PDRS accreditations, as of 31 March in each year

	2022–23	2023–24
Number of ACPs	20	53
Accreditations by Activity Definition		
Residential air conditioners	11	35
Commercial air conditioners	8	25
Install a refrigerated display cabinet	0	1
Replace a refrigerated display cabinet	14	24
High efficiency motors	4	5
Residential pool pumps	5	10
Heat pump water heaters	14	49
Total number of accreditations[a]	**20**	**53**

a. ACPs can hold accreditations for multiple PDRS methods.