

Energy Security Safeguard Compliance Priorities

9 October 2025

The Independent Pricing and Regulatory Tribunal of NSW (**IPART**) is the Scheme Administrator and Scheme Regulator for the Energy Security Safeguard which currently comprises 2 certificate schemes, the Energy Savings Scheme (**ESS**) and the Peak Demand Reduction Scheme (**PDRS**) (**the Safeguard Schemes**).

The *Compliance Priorities* set out where IPART's Energy Sustainability Schemes team (**ESS Team**) will focus its compliance resources for the year. Being transparent about our *Compliance Priorities* can assist businesses to understand where compliance attention will be focused and to take steps to address identified risks.

While the Compliance Priorities signal our areas of focus, we will continue to fulfil our core functions of monitoring general compliance and may shift our compliance focus to address emerging issues.

Our 2025-26 Compliance Priorities

Consumer protection

Energy efficient upgrades in households and businesses should be fit for purpose and installed in a proper manner.

IPART will focus our compliance efforts to:

- hold Accredited Certificate Provider's (**ACPs**) accountable for conduct of their representatives that undermine consumer protections. This includes unsolicited doorknocking and substandard or unsafe installations
- ensure installations meet minimum warranty requirements
- ensure consumer issues are appropriately dealt with, including through collaboration with other regulators such as the Building Commission NSW and NSW Fair Trading.

Deceptive, fraudulent or misleading conduct

Deceptive, fraudulent or misleading conduct undermines public confidence and compromises scheme integrity.

IPART will focus our compliance efforts to:

- identify improper conduct through our complaints handling process, audits, site inspections, investigations and intelligence sharing with co-regulators such as the Greenhouse and Energy Minimum Standards (GEMS) Regulator and other energy certificate scheme regulators in Australia
- hold ACPs accountable for applying to create certificates based on manipulated evidence.

IPART published three relevant compliance notices in compliance period 2024/25 (listed below). These provide an indication of where our continued efforts will focus in 2025/26.

- [Ecovantage – civil penalty notices relating to baseline manipulation](#)
- [Phenix Trading – cancellation of accreditations and refusal of certificates related to falsified test reports and misleading regulators](#)
- [ACP – formal caution relating to baseline manipulation](#)

Emerging and reemerging scheme activities

Changes to the PDRS Rule in July 2025 and the ESS Rule in September 2025 are expected to result in increased implementations of scheme activities including:

- BESS 2 - Onboard battery with a Demand Response Aggregator, and;
- D16 - Install air conditioner or replace existing air conditioner

Growth of these activities and the emergence of new business models is likely to result in an increase in inquiries and complaints and increased risk of non-compliance.

IPART will focus our compliance efforts to:

- ensure activities are conducted in compliance with Rule requirements by monitoring implementations through our audit and inspection functions
- ensure activities are fit for purpose and aligned with the objective of the scheme to incentivise energy savings and peak demand reduction activities
- identify any unintended consequences of new or revised activities

We will continue to monitor scheme activities through analysis of implementation data, monthly reporting data and other intelligence sources. We will pivot quickly to address any emerging issues.

How do we set our *Compliance Priorities*?

We take an intelligence led and risk-based approach to setting our *Compliance Priorities*. The *Compliance Priorities* are informed by analysis of our information holdings, our operational knowledge, research of existing and emerging issues, and interaction with industry, government stakeholders and consumers.

The *Compliance Priorities* are set on an annual basis. More frequent updates may be made if we identify other emerging issues throughout the year.

What action will we take in our priority areas?

While we conduct a broad range of business-as-usual functions to administer the Safeguard Schemes, this document is intended to provide guidance to stakeholders on where proactive compliance activities will be focused over the 2025-26 period.

Focusing our resources on areas of higher risk allows us to make the best use of our limited resources and minimise costs to regulated entities. The compliance activities that we may use in our priority areas include:

- increased engagement with stakeholders to ensure they understand their obligations
- increased and targeted audit programs focusing on systemic and emerging issues
- inspecting sites where energy savings or peak demand reduction activities have occurred
- identification and investigation of suspected non-compliance
- enforcement action including issuing penalty notices, civil penalties, imposing conditions, suspending/cancelling accreditations or requiring the forfeit of certificates.