
Date	18 August 2025
Time	10.30 am
Location	Online
Subject	Energy Security Safeguard Industry Reference Group
Meeting number	01/2025

1. Acknowledgment of Country

2. Housekeeping (IPART)

3. Terms of reference of the ESSIRG (IPART)

IPART invited comment on the Terms of Reference.

4. IPART update and compliance priorities

Activity in the Schemes:

- has decreased in the Energy Savings Scheme (ESS) since December 2024. This is in part due to the lag in certificate registrations, changes in activities and low ESC price.
- saw large increases in the Peak Demand Reduction Scheme (PDRS) since December 2024 due to battery activities. This has since decreased because of the introduction of the Commonwealth Scheme. Battery implementations have been spread across NSW with a 30:70 split between regional and metropolitan areas.

Compliance Priorities and regulatory actions

- Compliance priorities for 2024 -25 include heat pump installations, battery activities, deceptive, fraudulent and misleading conduct, scheme participant liability and consumer protection. IPART will be updating the priorities again toward the end of this year.
- Regulatory tools used across all activities include collaboration with Commonwealth and State Regulators like the Clean Energy Regulator and NSW Building Commission, audit and inspections, intelligence gathering, investigations and collection and analysis of data including monthly implementation data. We are actively monitoring heat pump water heater activities for emerging issues including alleged staging.
- Audit results indicate generally high compliance while identifying issues and recommending remedial action to minimise the risk of non-compliance where applicable.
- Regulatory actions taken this year include:
 - Cancelled Phenix accreditation for providing false and misleading information to the GEMs regulator and IPART

- Imposed \$20,000 of civil penalty orders on Ecovantage for relying on misleading photographic evidence supplied by its installers to claim certificates.

IPART is supporting ACPs by:

- providing guidance and education opportunities for Rule changes
- putting them on notice to look for evidence of staging of heat pump activities before registering certificates
- helping them meet compliance obligations while the battery installation activities are suspended. This includes providing bespoke audit limits to help reduce administrative burden and costs to ACPs.
- providing guidance and a new product application system in TESSA for water heater product acceptance
- developing new heat pump hot water system factsheets for consumers

Key dates and upcoming events

Events/activities	Date
Energy Security Safeguard website goes live	July
ESS and PDRS Rule change information session	September 2025
PDRS certificate registration date for 2024/25 certificates	30 September 2025
PDRS Target set and published	31 October 2025
IPART Annual Stakeholder Forum	18 November 2025

5. Interaction with the Commonwealth Cheaper Home Battery Program - CHBP (DCCEEW)

CHBP was introduced and Install battery (BESS1) activities (PDRS) were suspended on 1 July 2025.

- No significant increase in BESS2 (Virtual Power Plant) onboarding activities yet but expect to see an increase in coming months
- CHBP installed ~7,300 batteries in NSW in July. Average battery size was ~17 kWh in CHBP compared to PDRS which was 12.8 kWh and the national average of ~9 kWh.
- Average capacity for CHBP aligns with estimated average capacity under BESS2

DCCEEW are now looking at parts of the community that aren't benefiting from CHBP to see if there is a role for stacking with BESS1 with certain controls. This includes working with a range of complementary programs to address equity of access to CER and understand how these programs can be integrated into the Safeguard Schemes.

DCCEEW is engaging with the broader NEM Review and noted that market visibility for CER will continue to be a focus for the schemes. The PDRS design included market visibility through Distributed Energy Resources (DER) register requirements.

6. ESS and PDRS Rule changes (DCCEEW)

Scheme Rules are regularly updated to expand activities to meet the ever-increasing target, stimulate new and developing markets and correct when markets become mature. These changes are planned, include consultation and address scheme additionality and accuracy in savings, Rules are also updated in response to emerging issues. These changes are "Urgent" rule changes done by "Direct" gazettal. They are unplanned and address scheme integrity.

- ESS Rule change for 2025 is being finalised with the Minister's Office. Includes consumer protections (door knocking ban and hot water system product warranties), discontinues some activities and addresses over-incentivisation in others.
- Considerations for future ESS Rule changes include accuracy/gaming prevention, increased additionality and simplified activities for deemed methods. Also exploring project-based methods for Commercial and Industrial sectors.
- Future PDRS Rule changes may focus on Commercial and Industrial projects including commercial batteries and project-based methods (M&V). Additional requirements for VPPs and support for battery implementations for some community sectors may also be considered.

DCCEEW noted that telemarketing bans are not being considered right now. Protections are currently in place but DCCEEW will continue to monitor and may make changes if needed.

The Building Commission noted the following on inspection outcomes for Heat Pump hot water systems:

- Compliance rates are high and have improved over the last 2 years
- Some non-compliances being found for work which is untidy but not unsafe
- No installations found without a resistive current device (RCD)
- 5 penalty notices issued for electrical non-compliance relating to the installation of superseded RCDs. Note; Building Commission has zero tolerance for non-compliance relating to electrical safety

7. Other matters

IPART and DCCEEW will consider further if the Renewable Fuel Scheme (RFS) should come within the scope of the ESSIRG noting that the Government is currently reconsidering the scope of the RFS.

8. Next meeting

Early November 2025. Members are invited to suggest agenda items / focus areas to be discussed.