

Date 27 July 2026

Time 11:00 am

Location Online

Attending organisations IPART, NSW Department of Climate Change, Energy, Environment and Water, Building Commission NSW, NSW Fair Trading, Clean Energy Council, Solar Accreditation Australia, Justice and Equity Centre, Energy Efficiency Council, Energy Savings Industry Association, Australian and New Zealand Water Heater Association, Lighting Council of Australia, Australian Energy Council

Subject Energy Security Safeguard Industry Reference Group

Meeting number 2/2026

Agenda

1. Welcome and Acknowledgment of Country
2. Scheme updates
3. Rule change for ESS and PDRS
4. Stakeholder engagement (IPART)
5. Member spotlight
6. Focus for next meeting

1. Welcome and Acknowledgment of Country

2. Scheme updates

ESS and PDRS activities in 2025-26 (IPART)

IPART provided an update on ESS and PDRS activity in 2025-26 including:

- 3.9 million certificates were created by the 30 June registration deadline from Energy Savings Scheme (ESS) activity in the 2025 calendar year
- ESS certificate creation continued declining, with a significant reduction since the Commercial Lighting method ended on 31 March 2026. Air conditioning activity has dominated certificate creation in household and small business settings.
- Air conditioning and Virtual Power Plant activities have accounted for most certificate creation under the Peak Demand Reduction Scheme (PDRS) in 2026.

Building Commission NSW inspections

The Building Commission continues its inspection program for electrical compliance, solar, batteries and heat pump water heaters. In the first 6 months of 2026:

- Over 2000 electrical compliance inspections were conducted, with around 50% compliant and around 90% of non-compliances rectified on re-inspection.
- 30% of battery inspections were compliant, with the main defects being no battery safety data sheet at the main switchboard, signage not provided or incorrectly installed, unsuitable battery location, and equipment in switchboard incorrectly labelled.

- Around 60% of solar installations were compliant, with the main defects relating to recording of solar system layout, wiring not being identified as solar wiring, equipment in switchboard incorrectly labelled, and cables entering the switchboard enclosure not being a close fit to prevent spread of fire.
- Over 90% of heat pump installations were compliant, with the main defects being residual current devices not installed or incorrect type installed, and wiring systems not resisting moisture and including drainage to prevent water damage or hazards.

3. Rule change for ESS and PDRS

ESS and PDRS Rule change - NSW Department of Climate Change Energy, Environment and Water (DCCEEW)

DCCEEW provided an update on the Safeguard Rule change that commenced on 1 July 2026. It acknowledged industry feedback on timing of gazettal and commencement, which would be considered for future Rule changes.

An Exempt Energy Program (EEP) is a Minister-approved program that is exempt from specified clauses of the ESS or PDRS Rule. EEPs are currently only able to receive exemptions from the BESS1 suspension, so approved EEPs can provide incentives for BESS1 and stack this incentive with the Cheaper Home Batteries Program. The EEP approach could be extended to other activities in future. The EEP concept will be trialed with a small number of eligible entities such as DCCEEW programs in 2026, before DCCEEW considers expanding approved EEPs to energy programs run by other organisations.

Changes to the ESS and PDRS Rules include:

- limited activation of PDRS activity BESS1 (Install a battery in a standalone dwelling or small business)
- increased eligible battery size and changes to nomination timing for activity BESS2 (Onboard a battery with a demand response aggregator)
- expansion of PDRS to 3 new battery activities BESS3 (apartments), BESS4 (small and medium businesses) and BESS5 (commercial and industrial businesses)
- the new V2G1 activity (Onboard an electric vehicle with a demand response aggregator) is suspended until standards and warranties are unlocked for vehicle to grid
- multi-split system air conditioners are now eligible under ESS and PDRS. Large air conditioners with capacities above 65kW are also eligible.
- incentives for ESS liquid chilling package activity increased (lifetime increased to 12 years).

Changes have been made to enhance consumer protections through:

- increased minimum customer contributions for air conditioner upgrades to promote fit-for-purpose installations and caps on certificate creation to limit over-sizing
- updating confidence factors for ESS commercial heat pump water heater systems to promote fit-for-purpose installations.

How IPART is implementing the Rule changes (IPART)

To support the Rule change IPART has:

- published updated guidance and documents including rule change reference guides, method guides, templates, and website content
- hosted 2 webinars on the rule changes – a battery webinar attended by over 550 people and a webinar for other activities with 170 attendees. 89% of attendees who completed the webinar surveys said the webinars improved their understanding of the rule changes. IPART will publish the webinar videos and answers to questions asked by attendees on our website shortly.
- responded to many stakeholder queries about the changes and referred questions about policy on to DCCEEW for response as the policy owners.
- consulted on proposed changes to evidence requirements and PDRS Method Guide requirements and extended the 3-week consultation period by a further week (to 29 July) at the request of stakeholders. Submissions will be considered when finalising the requirements and updated method guides and a What We Heard document will be published in August

- started assessing the first applications for accreditation for new battery activities and amendments to add other activities to accreditations, and is aiming to progress those as quickly as possible
- continued helping ACPs meet their compliance obligations and is cancelling or amending accreditations for methods and activities that have ended, including Commercial Lighting and the PDRS commercial heat pump activity.

4. Stakeholder engagement

Stakeholder Forum (IPART)

IPART is seeking suggestions for topics for its 2026 Safeguard Stakeholder Forum, to be held on 20 October. Please contact us via ESS@ipart.nsw.gov.au if you have suggestions on topics or speakers.

Compliance priorities development process and consultation (IPART)

Each year IPART releases risk-based, outcome focused compliance priorities. It reviews risks present in the schemes, levels of compliance and impacts on scheme integrity and outcomes. From this we identify a handful of priorities that guide our compliance and enforcement actions.

The Compliance Priorities for 2025-26 focused on:

- Consumer protection – where we focused compliance effort on areas which undermine consumer protections
- Deceptive, fraudulent or misleading conduct – including targeting effort to identify improper conduct in relation to creation of certificates based on manipulated evidence
- Emerging and reemerging scheme activities – including a focus on ensuring activities are conducted in compliance with Rule requirements and aligned to scheme objectives.

IPART plans to consult on draft 2026-27 compliance priorities over the next couple of months, and is seeking input from stakeholders to help refine the priorities and related actions.

5. Member spotlight – Solar Accreditation Australia

[Solar Accreditation Australia](#) (SAA) accredits professionals working with consumer energy resources including solar, batteries, and smart energy systems. Installers need SAA accreditation for installations to be eligible for small-scale technology certificates under the Commonwealth Small-scale Renewable Energy Scheme (SRES) and for state-based programs including the PDRS.

SAA noted that accreditation numbers had increased from 9,500 accredited installers (50% of which were for batteries) to 12,000 accredited installers (75% of which were for batteries), driven by the Cheaper Home Batteries Program. Its SRES inspection activity has also increased three-fold.

SAA noted knowledge gaps exist with some Registered Training Organisations, and is working with the Clean Energy Regulator to raise the quality of offerings.

SAA plans to introduce new accreditations over the next 12-18 months for vehicle-to-everything.

6. Next meeting

The next meeting is on **9 November 2026** and will focus on how the new activities are progressing.