

# Notice 03/2025 – Compliance Notice – Official caution issued

18 August 2025

## Official caution issued to Accredited Certificate Provider

The Independent Pricing and Regulatory Tribunal of NSW (**IPART**) has issued an official caution to an Accredited Certificate Provider (**ACP**) for an offence relating to improper creation of Energy Savings Certificates (**ESCs**) under clause 36(1) of Schedule 4A of the *Electricity Supply Act 1995* (**Act**).

Our investigation found that the ACP improperly created ESCs by relying on a falsely inflated value for the total rated capacity of a replaced water heater (WHCap) to calculate ESCs under ESS Activity Definition F16 (*Replace one or more existing hot water boilers or water heaters with one or more air source heat pump water heater systems*).

An installer working with the ACP allegedly 'staged' photographic evidence of the replaced water heater. The ACP did not detect that evidence used to support ESC creation was unreliable, resulting in it using a falsely inflated value for WHCap to calculate ESCs.

In issuing a caution for a penalty notice offence IPART considered the Caution Guidelines under the *Fines Act 1996*, IPART's [ACP Compliance Guide](#) and IPART's [Compliance and Enforcement Policy](#) including that:

- the offence involved a single incident related to a single site
- the ACP cooperated with IPART, accepted that baseline staging likely occurred and forfeited the subject certificates
- there was no evidence the ACP knowingly or deliberately committed the offence
- the ACP had a satisfactory compliance history.

The caution forms part of the ACP's compliance record for the Energy Security Safeguard Schemes (Safeguard) and may be considered by IPART in future decisions.

## We may take regulatory action if certificates are improperly created

ACPs are responsible for ensuring they hold appropriate records to evidence all activities conducted under the Safeguard schemes fully comply with the Act, the *Electricity Supply (General) Regulation 2014*, the scheme rules and the ACP's accreditation notice.

Where an ACP relies on records created by another person to create certificates, it must have effective systems and procedures to ensure those records are complete and accurate before relying on them to create certificates.

IPART employs a range of tools to confirm the veracity of records used to support certificate creation. Those tools include third-party audits and information-gathering powers. We also exchange intelligence with other regulators including the NSW Building Commission.

We may take regulatory action where an ACP improperly creates certificates by relying on incomplete or false records. Action may include imposing conditions, ordering the surrender of improperly created certificates, issuing civil penalty notices, or commencing a prosecution. Under section 70A(1) of the *Electricity Supply (General) Regulation 2014* the prescribed penalty for contravening clause 36(1) of Schedule 4A to the Act is \$22,000. The improper creation of certificates is also grounds for us to cancel or suspend an ACP's accreditation.

## Take action now

ACPs should review their systems and processes to ensure only reliable evidence is used to support certificate creation. This may include:

- ensuring installers and other representatives understand and comply with evidence requirements relating to replaced/baseline equipment
- reviewing how the ACP conducts due diligence of installers and representatives, and
- reviewing how the ACP monitors and verifies photographic evidence to mitigate the risk of 'staged' photographs.

For more information on our approach to compliance please refer to the:

- [Compliance and Enforcement Policy](#) available on the IPART website at [www.ipart.nsw.gov.au](http://www.ipart.nsw.gov.au), and
- [Accredited Certificate Provider Compliance Guide](#) available on the Energy Sustainability Schemes website at [www.energysustainabilityschemes.nsw.gov.au](http://www.energysustainabilityschemes.nsw.gov.au).

## IPART's Compliance Priorities

The Compliance Priorities set out where IPART's Energy Sustainability Schemes Team will focus its compliance resources for the year.

Our [2024–25 Compliance Priorities](#) include heat pump water heater installations and identifying deceptive, fraudulent or seriously misleading conduct. Our objective is to deter misconduct, address financial gain from non-compliance, protect the integrity of the Safeguard schemes and promote scheme objectives and good consumer outcomes.