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Department of Climate Change, Energy, the Environment and Water
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Clean Energy Council Submission to Energy Saving Scheme and Peak Demand Reduction Scheme Statutory Reviews 2025 Discussion Paper

The Clean Energy Council (CEC) welcomes the opportunity to provide feedback to the New South Wales (NSW) Department of Climate Change, Energy, the Environment and Water's (DCCEEW) Energy Saving Scheme (ESS) and Peak Demand Reduction Scheme (PDRS) Statutory Reviews 2025 discussion paper.

The CEC is the peak body for the clean energy industry in Australia. We represent and work with Australia's leading renewable energy and energy storage businesses, as well as a range of stakeholders in the National Electricity Market ('NEM'), to further the development of clean energy in Australia. We are committed to accelerating the transformation of Australia's energy system to one that is smarter and cleaner.

The CEC are strongly supportive of the NSW Government's focus on reduced energy consumption, demand response and demand shifting mechanisms to both improve the reliability and sustainability of the energy system and reduce consumer bills. The greatest opportunities to enhance the energy transition reside in the demand-side of the market, and the CEC commends the important work NSW DCCEEW are doing. By improving our energy performance (including demand response, load shifting and energy efficiency), we can make the energy transition faster, cheaper, smoother and more reliable.

The current principle and additional objectives outlined in the discussion paper for the ESS and PDRS are supported by the CEC and considered to be fit-for-purpose. The least-cost pathway to meeting Australia's renewable energy and emissions targets, as modelled in the Australian Energy Market Operator's 2024 Integrated System Plan (ISP) Step Change scenario, requires four times more rooftop solar, 34 times more distributed battery capacity and 135 times more orchestrated battery capacity by 2050¹. As the objectives highlight the importance of reliability, cost and

¹ [AEMO | 2024 Integrated System Plan \(ISP\)](#)

sustainability of energy for consumers, they clearly address an ongoing issue and provide policy support to reach Australia's targets.

We encourage NSW DCCEEW to consider the addition of a principle surrounding equal access to benefits for non-participants or traditionally excluded consumer groups (such as renters or apartment-dwellers). This will ensure there is adequate consideration on how best to engage and ensure equal opportunities for these consumers across both schemes. As the upcoming NSW Consumer Energy Strategy included extensive consultation around improving equitable access, it is recommended the objectives of the PDRS and ESS scheme also incorporate these principles for consistency across policies.

To best provide informed feedback on the scheme reform opportunities outlined in the discussion paper, three key areas for improvement are identified and discussed. These include:

- Ensuring high-quality upgrades are installed in households with accompanying consumer protections.
- Creation of a strong audit program on installer and product compliance.
- Strengthening the design and outcomes of programs with ongoing industry consultation.

We offer the following considerations as a means of improving the impact the ESS and PDRS will have in building consumer participation, protections and trust in energy upgrades and CER products. We are interested in ongoing involvement in the development and design of the ESS and PDRS and view this an important step in securing the best practice implementation of energy efficiency and peak demand reduction for NSW consumers.

If you have any queries or would like to discuss the submission in more detail, please contact Emma Fagan (efagan@cleanenergycouncil.org.au).

Kind regards,

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Scheme Design

Inclusion of the New Energy Tech Code of Conduct

To ensure adequate consumer protection across both schemes, the CEC recommends the inclusion of a requirement for commitment to the New Energy Technology Consumer Code (NETCC) for retailers participating in both the ESS and PDRS programs².

The NETCC has been previously included as a requirement in State Government programs such as Victoria's Solar Homes and ACT's Next Gen Battery Storage Program, as well as the Federal Government's Household Energy Upgrades Fund (HEUF). Within these schemes, the inclusion of Approved Retailers through the Code has promoted trust for customers participating in the program and has ensured high quality products are being installed in households.

To become a New Energy Tech Approved Seller, a provider must demonstrate it meets the requirements of the NETCC and is committed to ongoing compliance with the standards.

The CEC, as the Administrator of the NETCC has been impactful in establishing and strengthening the NETCC program since its launch in 2023, including developing technology specific Consumer Information Products, which provide step-by-step guides that outline what consumers should look out for, what questions to ask which guides decision making. It has also helped implement the compliance program to ensure Code Signatories' practices adhere to the NETCC, and customer complaints of alleged non-compliance are investigated.

Signatories of the NETCC agree to comply with a several obligations, including:

- Avoidance of high-pressure sales tactics.
- No offers of finance in unsolicited sales not regulated by the National Consumer Credit Protection Act (2009).
- Responsible provision of consumer finance products, with effective dispute resolution and avenues to address customer hardship.
- Clear and accurate advertising.
- Education to consumers on their rights.
- Provision of clear product performance and maintenance information.
- Extra steps taken to protect vulnerable consumers.
- Implementation of effective complaints handling processes.

The NETCC program has been observing an increase in signatories from NSW as a result from local government sustainability rebate programs mandating the NETCC, including Shellharbour Council, Randwick City Council and the City of Canterbury Bankstown. The expansion of NETCC Authorised

² [NETCC | Consumer protection standards for solar, batteries & more \(newenergytech.org.au\)](https://www.newenergytech.org.au)

Sellers in the ESS and PDRS will ensure there is consistency both across the state and nationally regarding the level of consumer protection customers can expect when participating in schemes.

The NETCC currently has over 1,600 signatories and has been welcomed by the industry as an effective approach to inform consumers about their rights and afford them greater choice and protection. Hence, the inclusion of the NETCC as a requirement of the program will confirm the NSW Government's commitment to a safer and more accessible energy system for households and small businesses.

The first Annual Report of the NETCC provides a further overview of the impact of the Code to date³.

Inclusion of the CEC's Approved Products List

High-quality upgrades and installations are essential to the success and consumer participation of the ESS and PDRS. Hence, it is recommended that any consumer energy resources (CER) products included in either program should meet the requirements of the CEC's approved products list.

The CEC maintains a list of approved products that are eligible for installation, based on their compliance with Australian and International Standards. The CEC's product accreditation program is delivered in collaboration with government, electrical safety regulators, certifiers, network providers and product manufacturers to ensure only approved products enter the Australian market.

The CEC's approved product list includes:

- Inverters and power conversion equipment – compliant with relevant Australian and International Standards.
- Solar PV modules – compliant with AS/NZS 5033.
- Energy storage devices – compliant with the Best Practice Guide: Battery Storage Equipment – Electrical Safety Requirements.

The integration of these two requirements within the scheme design ensure that consumers are protected at point of sale, during installation and use of their products. Clear requirements would remove uncertainty for retailers, installers and manufacturers at the announcement of a new program and ensure that consumers can easily access efficient, safe and high-quality upgrades and CER products.

³ [NETCC Annual Report 2023 Final v2](#)

Scheme Delivery

Audit & Compliance

The CEC is supportive of the NSW Independent Pricing and Regulatory Tribunal (IPART) remaining the administrator and regulator of the ESS and PDRS. It is encouraged that as the scheme continues to evolve and additional Government bodies are involved to support scheme functions, such as product installation and compliance, the individual roles and responsibilities are clearly communicated.

In the future a strong audit program on installer compliance should be prioritised, ensuring best outcomes for consumers and best-practice safety standards. This should ensure installers are completing installations in line with the manufacturer's manuals as well as ESS/PDRS requirements.

IPART's role as administrator should extend to installer education and clear communication of the requirements for each activity. Collaboration with industry associations or the installer accreditation body, Solar Accreditation Australia, will be essential to ensure information is correctly distributed and understood. Easily accessible information through the website, workshops and online training videos, paired with printable checklists for installer requirements will assist compliance and reduce confusion around evidence criteria.

Regular feedback and information about the accessibility of information is essential to encouraging compliance, hence the CEC recommends the introduction of feedback pathways, such as surveys or consultations, upon the introduction of new activities in either the ESS or PDRS. This will ensure a smooth transition for stakeholders when understanding new requirements and allow IPART to address any ongoing concerns at the beginning of a new program.

Industry Consultation

Industry consultation regarding the future of the ESS and PDRS are integral to the success of the program objectives. The CEC is supportive of NSW DCCEEW continuing to have responsibility in the design and development of policy framework and legislation for the scheme, however more collaboration is required between industry and the Department and IPART.

The recent announcement of the residential battery incentive program (activities BESS1 and BESS2) under the PDRS serves as an example of the need for additional consultation with industry prior to the release of scheme requirements. Requirements on the warranted life, warranted energy throughput and operating temperature initially excluded most popular residential battery models, creating concerns from industry. The CEC recommends the establishment of an "Industry Working Group" between the Department, IPART and industry stakeholders to test scheme requirements and design prior to public release. This group could have an alternating membership dependant on the activities being assessed and include a range of installers, manufacturers, retailers and industry associations.

The release of consultation to wider industry also requires a review of timeframes and response periods. The recent consultations on the PDRS Rule Change 2 and Method Guide ran over a limited period, providing industry less than 30 days to respond for the Rule Change 2 and less than 20 days for the Method Guide. Given these consultations are often seeking feedback from Original Equipment Manufacturers it is essential to provide a longer response period to ensure the policy and regulatory teams can integrate region specific recommendations in their submissions.
