

Thinking of getting a battery?

Things to consider when offered a battery through the NSW Government's Peak Demand Reduction Scheme

Things to consider



What is the Peak Demand Reduction Scheme?

The Peak Demand Reduction Scheme (PDRS) is a NSW Government initiative to help reduce electricity demand during peak times, like on hot summer days, by encouraging households and organisations to invest in demand reduction solutions.

The scheme provides incentives for accredited businesses to provide your household or small business with a battery at a reduced cost. Participation in the PDRS is voluntary.



How you get the benefits

The PDRS can make it more affordable to install a battery and help you maximise the benefits from your rooftop solar system. The battery stores solar energy, which you can then use at times of high electricity demand instead of grid electricity.

By installing a battery under the PDRS you can save money on your energy bills in the long term. You could also receive additional incentives if you sign your battery up to a demand response contract (also known as a Virtual Power Plant or VPP).

The scheme enables accredited businesses to create certificates from peak demand reduction that will occur as a result of your battery installation. The accredited business can sell these certificates and use a portion of their value to lower your installation cost. You will typically deal with installers associated with these accredited businesses.

The NSW Government does not give a rebate, set the price of the equipment, installation or certificates, or endorse products offered under the scheme.



What you need to do

1. Use an accredited business.

You can find an up-to-date list of businesses that can offer battery activities under the PDRS on IPART's [Who can help with energy upgrades](#) webpage. You're not required to use a particular business or install a battery under the PDRS, and an accredited business is not obliged to provide a service to you. We recommend you shop around to find the best deal possible on a battery to meet your needs.

2. Pay at least the minimum payment.

The scheme requires that you pay a minimum payment of at least \$200 towards the cost of products, their installation and other related work at your property – see IPART's [Households and small businesses](#) page for details. Due to the high cost of batteries you will likely need to pay significantly more than the minimum payment.

3. Sign a nomination form (paper or digital) before installation and a declaration after installation.

Note: You may be contacted by an auditor to confirm details of your installation. By assisting the auditor you can help maintain the integrity of the scheme.

Before deciding on a battery installation be sure to:

1. Determine if a battery is right for you by assessing your current and future energy needs. Remember if you also sign a demand response contract for your battery, less energy may be available for your use. To understand key information about batteries and what is best for your situation visit the NSW Energy [Guide to owning a battery](#). If you are a tenant you will need to get permission from your landlord before installing a battery.
2. Understand battery safety risks including overheating and fire. Think about where to locate your battery to manage safety risks (see NSW Energy's [Installation checklist](#)).
3. Discuss the equipment being offered and confirm it will meet your needs. The cheapest offer may not be the best value for you, so be sure to get multiple quotes to get the best product for your needs. An onsite inspection can help confirm the battery will meet your needs.
4. Know who is involved in the installation. They must hold the correct licences, have clear photo identification and provide detailed information about the proposed installation. The installer should also identify the accredited business they are working with to install the battery. Keep their details – you might need them later.
5. Check warranty details – consider battery warranty length, what it covers, and whether the battery supplier has appropriate after-sales service, spare parts, geographical coverage, and warranty provisions to match any stated product warranty it offers. Normal consumer rights and warranties apply, but the PDRS does not provide additional rights and warranties.
6. Carefully consider any agreement you are asked to sign in the same way you would for any other contract for work at your property (see IPART's [Things you should consider](#) page).

Frequently Asked Questions

Who can install a battery under the PDRS?

Only accredited businesses and their representatives can offer battery installations under the PDRS. IPART accredits businesses to create certificates from battery installations under the PDRS.

An accredited business may offer battery installs under the PDRS or it may contract the work to third party installers, such as electricians. Accredited businesses and their representatives are not employees or representatives of the NSW Government.

A list of accredited businesses and the activities they are accredited to deliver is available on IPART's website: [Who can help with energy upgrades](#). We recommend you shop around for a product/service that best meets your needs. Accredited businesses can provide more information on the specific products and services they deliver and the locations they service.

Are rebates available through the PDRS?

No, the PDRS is a certificate trading scheme that does not give direct rebates. Instead, accredited businesses may create certificates for the peak demand reduction that arises from the work they deliver. They can then sell those certificates and may use some of the revenue they get from that sale to offer their customers batteries at a lower price.

How much will the battery installation cost?

The accredited business or installer will tell you what your installation will cost. The scheme makes it possible for you to get a battery at a lower price. As explained above, you need to pay a minimum amount of \$200 towards the cost of the installation. For batteries you are likely to need to pay significantly more than the minimum amount. We recommend shopping around to get the best deal possible.

The minimum payment may cover the costs of products, installation, site assessment or other related works carried out at your property. The accredited business or its representatives should not complete the installation unless you have paid the minimum amount. The minimum payment cannot be reimbursed to you in any form.

Why do I need to sign a nomination form?

By signing a nomination form you give the accredited business the right to create certificates from your installation. They can then sell these certificates, which allows them to offer the battery at a lower price. They can't create certificates without this form.

Only one accredited business can be nominated for a particular installation and the nomination must be made before the battery is installed.

Who can I contact if I have concerns?

Make sure you know who your accredited business is and have their details handy. You should take all due care to ensure the installation being done at your property meets your needs. Treat the installation the same way you would approach working with any other contractor who has access to your property.

If you are not happy with the quality of work, or require more information, speak to your accredited business or installer first.

If you're unable to resolve the problem, NSW Fair Trading or Building Commission NSW may be able to assist. NSW Fair Trading investigates unfair business practices and ensures that products sold in NSW are safe and meet regulations and safety standards. More information about your rights as a consumer, tips for resolving consumer disputes, and how you can make a complaint is available at www.fairtrading.nsw.gov.au.

[Building Commission NSW](#) licenses tradespeople such as electricians and plumbers and is responsible for the regulation of laws that apply to them. The Building Commission may be able to assist if you have concerns about the work of licensed tradespeople or unlicensed work.

If you are concerned the accredited business or its representative has not complied with PDRS requirements or they're not responding to your enquiries, you can contact us at ESSCompliance@ipart.nsw.gov.au.

Where can I find more information?

First, you should contact the accredited business for more information on the products and services they offer including associated costs.

Visit NSW Climate and Action for more information about [installing a battery under the PDRS](#) and [installation resources](#).

See IPART's Energy Sustainability Schemes for:

- [general details about the scheme](#)
- information for [households and small businesses](#)
- answers to [frequently asked questions](#).

Note: IPART accredits businesses to create certificates. We don't license tradespersons or regulate safety or consumer rights, which are Building Commission NSW and NSW Fair Trading functions.

Get the online version of this fact sheet with active links by searching 'PDRS BESS1 Fact Sheet' in your web browser.

Thinking of signing a battery demand response contract?

Things to consider when offered a battery demand response contract through the NSW Government's Peak Demand Reduction Scheme

Things to consider



What is the Peak Demand Reduction Scheme?

The Peak Demand Reduction Scheme (PDRS) is a NSW Government initiative to help reduce electricity demand during peak times, like on hot summer days, by encouraging households and organisations to invest in demand reduction solutions.

The scheme provides incentives for accredited businesses to sign your household battery up to a demand response contract (also known as a Virtual Power Plant or VPP). See the NSW Energy [Sign your battery up to a VPP](#) page and IPART's [Households and small businesses](#) page for more information.



How you get the benefits

The PDRS makes it more attractive to sign a demand response contract for your battery. When you sign a demand response contract, solar energy stored in your battery can be managed by a demand response aggregator (or Virtual Power Plant operator) to help stabilise the electricity grid or when electricity demand is high.

The PDRS enables accredited businesses to create certificates from peak demand reduction that will occur because you signed a demand response contract for your battery. The accredited business can sell these certificates and can use a portion of the certificate value to offer you a better deal. You will typically deal with representatives associated with these accredited businesses.

To be eligible under the PDRS, your battery and the contract you sign must meet certain requirements. The accredited business or its representative will tell you whether your battery and contract is eligible.

The NSW Government does not give a rebate, set the price of certificates or benefits or endorse specific demand response programs.



What you need to do

- 1. Use an accredited business**
You can find an up-to-date list of businesses that can offer demand response contracts under the PDRS on IPART's [Who can help with energy upgrades](#) page. You're not required to use a particular business or sign your battery up to a demand response contract, and an accredited business isn't obliged to provide a service to you. We recommend you shop around to find the best deal possible.
- 2. Consider any offer carefully**
Consider your needs and situation, and the rewards and usage structure of the demand response contract. Some demand response contracts are offered in a bundle with a retail electricity plan, battery installation or other services. A bundled offer may or may not meet your needs. Be sure to do your research, shop around and compare options to find the right deal for you. There is no rush to make a decision.
- 3. Sign a nomination along with the demand response contract**

Note: You may be contacted by an auditor to confirm details of your contract. By assisting the auditor you can help maintain the integrity of the scheme.

Before signing a demand response contract be sure to:

1. Understand the terms and conditions of the demand response contract you are signing.
The arrangement is between yourself and the demand response aggregator, so be sure to read all contract terms and conditions carefully and understand how they will manage your battery.
2. Discuss with the provider any potential impacts the demand response contract may have on your battery and its warranty – see the NSW Energy [Guide to owning a battery](#) page for more information about warranties. Consider how a demand response contract will impact how you use your battery.
3. Understand the highest offer may not be the best value for you, especially if it is bundled with other services. You are under no obligation to sign a demand response contract.
4. Understand any commitments you are asked to make, that households with life support cannot participate, and that you can only access an incentive for signing a demand response contract under the PDRS once in a 3-year period.
5. Carefully consider any agreement or contract you are asked to sign in the same way you would for any other contract for work at your property (see IPART's [Things you should consider](#) page).

Note: IPART accredits businesses to create certificates. It doesn't regulate electricity contracts, which is an Australian Energy Regulator function, or regulate safety or consumer rights, which are NSW Fair Trading functions.

Frequently Asked Questions

What is a demand response contract?

A demand response contract is an agreement between you and a service provider to manage your battery. Just like any other contract you might sign for a service like phone or internet, it should outline the terms, costs and duration of the service. This contract allows the service provider to control when your battery charges and discharges to help manage energy demand during peak times, potentially saving you money.

Who can offer demand response contracts under the PDRS?

Only accredited businesses and their representatives can offer demand response contracts under the PDRS. IPART accredits businesses to create certificates from demand response contracts under the PDRS.

Accredited businesses and their representatives are not employees or representatives of the NSW Government.

A list of businesses that can offer demand response contracts under the PDRS is available on IPART's [Who can help with energy upgrades](#) page. We recommend you shop around for a business/service that best meets your needs.

Why do I need to sign a nomination?

By signing a nomination you give the accredited business the right to create certificates from you signing a demand response contract. They can then sell these certificates, which allows them to offer you a better deal. They cannot create certificates without this form.

Only one accredited business can be nominated for a particular demand response contract, and the nomination must be made before or at the same time you sign the contract.

Who can I contact if I have concerns?

Make sure you know who your demand response aggregator (or Virtual Power Plant operator) and accredited business are and keep their details. If you have concerns before signing up to a demand response contract, speak to them first.

Where can I find more information?

More information is available at NSW Energy's [Household energy saving upgrades](#) page, including information about [signing your battery up to a VPP](#) and [battery installation resources](#).

See IPART's Energy Sustainability Schemes for:

- [general details about the scheme](#)
- information for [households and small businesses](#)
- answers to [frequently asked questions](#).

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