



Common questions and answers

7 August 2026

Activity updates information session – 21 July 2026

This document provides answers to the most common questions received from attendees in the Energy Savings Scheme (**ESS**) and Peak Demand Reduction Scheme (**PDRS**) activity updates information session on the ESS and PDRS rule changes. It includes feedback and questions collected from the registration forms, survey and during the session.

Questions that related to policy and legislative matters were passed onto the NSW Department of Climate Change, Energy, the Environment and Water (**the Department**), or you can [contact them directly](#). Questions that relate to building were passed onto the NSW Building Commission, or you can [contact them directly](#). Similar questions are grouped.

The information here is general in nature and does not override requirements set out in the relevant Safeguard scheme rules, legislation and conditions of accreditation.

You can watch the [Activity updates recording](#) on our website if you missed it or want to see it again.

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About the Safeguard

How can we receive timely updates or notifications about any changes?

You can [register for our updates](#) (and quarterly Safeguard newsletters). We send regular updates as new guidance, webpages, and events are made available to our subscribers.

How do the ESS and PDRS calculations work?

Calculations and equations for energy savings and peak demand reduction capacity are built into the activity definitions in the Rules. See the [ESS Rule](#) and [PDRS Rule](#) and our [method guides](#) for more details about equations used to calculate energy savings and peak demand reduction capacity from activities. Our [PDRS Method Guide](#) also includes example calculations. You can use the Department's [Safeguard Estimator](#) to estimate how many certificates can be created for an activity.

Is there a transition period for new ESS Rule requirements?

No. The ESS Rule that commenced on 1 July applies to all implementations with an implementation date on or after 1 July 2026. The previous version of the ESS Rule applies to all implementations with an implementation date before 1 July 2026.

Given there is no transitional period, some ACPs are concerned about work already quoted or already in process. Will the Department or IPART provide communication for transitional arrangements to be put in place when Rule changes affect implementation eligibility?

IPART regulates the schemes, but do not make the Rules governing them. The Department set the policy, including changes to the Rules. See our [Roles in the schemes](#) page for more details. Communications will be provided by the Department for future Rule change updates to all its [subscribers](#).

The Department advised it is not seeking transitional arrangements for this Rule change. It evaluates each Rule change individually and whether transitional arrangements are necessary. The Department will consider whether transitional periods will apply in future Rule changes (where warranted) and if stakeholders need time to prepare for the changes.

Evidence and compliance requirements

In the digital CCEW, which details are compulsory?

Most fields are required by the NSW Building Commission, including testing information relevant to the work performed, customer details and any additional information in the form. See the [BCNSW eCert user guide](#) for electricians for more information.

Additional evidence may be required if the form does not contain sufficient information to comply with ESS or PDRS evidence requirements. The information recorded must also include sufficient details to demonstrate your compliance.

Recycling requirements

The HEER and IHEAB method guides require evidence of recycling for refrigerants and mercury-containing lighting. Is specific recycling evidence required for heat pump activities, like disposal of storage tanks?

The evidence you use needs to show that the equipment is not refurbished, resold or re-used. It also needs to show the equipment was appropriately disposed of. See clauses 5.3A(a) and 5.3A(b) of the ESS Rule, and clauses 5.3(a) and 5.3(b) in the PDRS Rule for further details of both requirements.

You can provide a tax invoice, recycling receipt or disposal receipt from the disposal or recycling company showing that the old equipment was removed from site and disposed of and (if relevant), geo-tagged photo evidence of decommissioning.

Participants also need to demonstrate that equipment has been properly disposed of and not refurbished or reused. A disposal receipt will usually provide that evidence.

PDF disposal receipts can be altered or fabricated. How can ACPs meaningfully verify that disposal occurred and that a disposal receipt relates to a specific implementation?

It is for ACPs to establish reliable compliance evidence. That may mean establishing validation arrangements with recycling and disposal companies. ACPs should also exercise effective control, including via contractual arrangements to discourage or penalise misleading or fraudulent conduct. We welcome suggestions through consultation on how these issues can be addressed.

Refrigerant is often recovered into a shared cylinder across many jobs and may not be recycled for months. How does IPART expect certificate creation to work when the recycling document does not exist until much later? Will other evidence of recovery be acceptable?

ACPs must hold the relevant evidence at the time they create or propose to create certificates. They may work with their representatives to supply that evidence at a frequency that is mutually agreeable for their respective cash flows.

Air conditioning requirements

Do the Rules apply the same GEMS requirements for ducted systems as multi-split systems?

Ducted indoor air conditioning systems are listed in the [GEMS Register](#) as part of the complete whole-system or outdoor unit registration, like multi-split systems. Our proposed evidence requirements state system make and model must match the indoor (if applicable) and outdoor units for all installed systems. We will confirm appropriate evidence requirements following the consultation.

How are the ESS D16 and F4 air conditioner activities different from the PDRS HVAC1 and HVAC2 activities?

PDRS HVAC1 and HVAC2 activities have no minimum payment requirements. Minimum payments are required for ESS activities D16 and F4, which are scaled based on capacity. The calculations for energy savings and peak demand reduction capacity are slightly different, and different certificate caps apply. You can create no more than 500 PRCs for HVAC1 and 70 or 90 ESCs for D16 depending on climate zone. Eligible product types are the same under both schemes, as are the definitions in line with the GEMS Determination.

Can you clarify how the 30kW capacity limit for large air conditioners under IHEAB activity definition F4 applies?

New or replacement air conditioners must have at least 30kW of cooling capacity to be eligible for certificate creation under the IHEAB method. No air-conditioner capacity limit applies for small businesses installing air conditioners under the HEER method, although they must consume less than 100MWh annually.

Certificate caps

Please clarify what defines the Implementation for the new certificate caps for multi-split systems under D16 and HVAC. Is it per site or per system?

The certificate cap applies to each Implementation. Each air conditioning Implementation only consists of one system installation. Refer to clause 9.8.7 for the maximum number of certificates that can be created and clause 10 for the definition of "Implementation" under the ESS Rule, and the associated clauses 7.1.1(f) and 10 under the PDRS Rule.

While there is no direct prohibition on more than one Implementation per Site, your site assessment should establish that the heating or cooling load of the combined installations is appropriate. The certificate caps exist to discourage oversizing of supplied systems. If you are claiming for more than one Implementation at a Site, you are expected to provide suitable evidence and reasoning. You should expect that such Implementations will be subject to greater scrutiny by IPART and in audits.

If ACPs are required to enter energy savings or peak demand reduction capacity and back-calculate the implementation data for multi-split systems that exceed the certificate cap, will IPART prescribe the values to use? Is there a plan for TESSA to calculate this automatically in future?

ACPs need to ensure the energy savings or peak demand reduction capacity values entered in implementation data will generate certificates only up to the relevant cap. This means ACPs must back-calculate the energy savings/peak demand reduction capacity figure, so it does not result in certificate creation above the certificate cap. The amount of savings/capacity that equates to the cap may be different for different implementations. Your implementation can generate savings or capacity above the cap, but you can only register certificates up to the relevant certificate cap.

IPART will consider providing further guidance to assist ACPs and whether TESSA can automatically account for caps in future.

Minimum payments

How do minimum payments apply to air conditioning systems?

Minimum net payments apply to the Implementation, assessment and other associated works carried out at the Site. For air-conditioning systems under both HEER and IHEAB this is paid on a per air conditioner basis (i.e. not per site). Minimum payments are scaled according to system capacity. We have updated our [Upgrade Costs](#) webpage with further details and examples.

Where multiple HEER air conditioning products are being implemented at a Site (for example, one ducted air conditioner and one single split system), how is the minimum payment calculated?

Each air conditioner installed is an Implementation. A minimum payment must be paid for each system installed. The payment is for the Implementation, assessment and other associated work carried out at the Site.

For example, when one 5kW single split air conditioner is installed (minimum payment \$500) and one multi-split or ducted system of 20 kW is installed (minimum payment \$3,000) at the Site, the total minimum payment is \$3,500 (excluding GST) for that Site.

For multi-split air conditioners, is the kilowatt capacity based on the outdoor unit or the total kilowatts of the indoor units installed? For example, if the outdoor unit is 20.5kW and the indoor units total 14.9kW, is the minimum payment \$1,000 or \$3,000?

The minimum payment is based on cooling capacity. Clause 10 of the ESS and PDRS Rules define cooling capacity and have the same meaning as total cooling capacity in clause 8(1) of the GEMS Determination. You should refer to the definitions in Equation D16.3 and D16.5 of the ESS Rule for how to calculate cooling capacity for multi-split systems and Table 1 of the ESS Rule for minimum payments. The Rules require multi-split system cooling capacity is calculated based on either the sum of indoor units, or the outdoor units (whichever is lower).

In your scenario, the minimum payment would be \$1,000 (excluding GST) for multi-split systems with cooling capacities under 20kW. The minimum payment is based on the lower value – in this case 14.9kW.

Can finance agreements satisfy minimum payment requirements and how does this reconcile with the Home Energy Saver Loans Program?

Minimum payments must be paid when certificates are created. A commitment to pay in the future is not sufficient.

The payment must relate to the implementation, assessment and other associated work at the site. The simplest way to demonstrate compliance is for the customer to make a deposit that satisfies the minimum payment requirement, with finance covering the remainder.