

Maximising Efficiency

A Strategic Guide to the NSW Energy Savings Scheme (ESS) for Homeowners and Property Managers



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Executive Summary



Modern Comfort, Lower Costs: Why the 2026 NSW Energy Savings Scheme is the Ultimate Tool

The NSW Energy Savings Scheme (ESS) is the state's largest energy-efficiency program, designed to help households and small businesses reduce power consumption and greenhouse emissions.

For homeowners and property managers, the NSW Energy Savings Scheme (ESS) offers a unique financial pathway to replace aging, inefficient air conditioning systems with modern, high-efficiency models.

For 2025/2026, the scheme has been updated to focus on long-term sustainability, extending its reach to 2050 to align with net-zero targets.

This guide outlines how homeowners and property managers can leverage the NSW ESS-Accredited pathway to secure upfront discounts while future-proofing assets against rising energy prices and refrigerant phase-outs.

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By 2010, AC ownership in NSW reached 70% doubling from 1999 levels. Today, these legacy units rely on obsolete R22 gas and cost up to 40% more to run than modern equivalents.

Heating and cooling can account for up to **40-50% of a property's total energy bill**. Inefficient, legacy units—particularly those over 10 years old—suffer from mechanical wear and outdated technology, leading to:

- **Excessive Running Costs:** Older systems often lack inverter technology, meaning they run at full capacity constantly rather than modulating to maintain temperature, **consuming 20% to 40% more energy** than modern units.
- **Environmental Impact:** Legacy units often use R22 refrigerant, which is more harmful to the environment than modern R32 alternatives found in ESS-approved models.

The ESS Discount



Legislative Framework and Immediate Financial Incentives

The NSW Energy Savings Scheme (ESS) operates under the Electricity Supply Act 1995 and is administered by the Independent Pricing and Regulatory Tribunal (IPART).

The ESS incentive is calculated as Energy Savings Certificates (ESCs) based on the projected energy savings over the air conditioning system's life.

The discount is applied directly to your installer's quote, making it financially seamless to transition to sustainable cooling systems that significantly lower energy consumption and greenhouse gas emissions.

The real world impact when upgrading air conditioners:



ESS discount can cover up to **20% of installation costs**



Up to **30% reduction in electricity bills**



Up to **40% lower running costs** for year round comfort



Upgrading systems supports NSW's **70% emissions reduction target** by 2035.

The ESS- Accredited Installer



The Mandatory Requirement to Accessing the NSW Energy Savings Scheme (ESS) Discount

To access these government-backed discounts, you **must use an ESS-Accredited Installer** partnered with an Accredited Certificate Provider (ACP).

- **Compliance and Documentation:** Only ESS-Accredited Installers are authorised to offer the NSW ESS discount and ensure your upgrade meets the NSW Climate and Energy Action standards.
- **Verified Equipment:** Accredited installers only use products listed on the GEMS (Greenhouse and Energy Minimum Standards) registry, guaranteeing the system actually delivers the promised efficiency.

"NSW has now installed 20,000 energy-efficient air conditioners in homes and businesses across the state."

*Penny Sharpe, Labour MP
30 May, 2025*

The NSW ESS Checklist



The Definitive NSW ESS Implementation Checklist

●	<p>Conduct a "Legacy Audit": Identify units older than 10 years, those running on R22 gas or "cooling-only" units for replacement with reverse-cycle systems to meet ESS eligibility.</p> <p>NB: Multi-head units <u>do not qualify</u> for the NSW Energy Savings Scheme.</p>
●	<p>Demand Accreditation Proof: When quoting, ask for the installer's Accredited Certificate Provider (ACP) partner name. This is the only way to guarantee the discount is applied to your invoice.</p>
●	<p>Optimise Zoned Star Ratings: Don't just look at the price; compare Zoned Energy Rating Label (ZERL) stars. Each extra star increases the number of Energy Saving Certificates (ESCs) generated, directly increasing your upfront discount.</p>
●	<p>Compare Quotes: It is highly recommended comparing multiple quotes from ESS-Accredited Installers to ensure you are getting the best market rate after the discount is applied.</p>
●	<p>Confirm Mandatory Decommissioning: Under ESS rules, the old inefficient unit must be removed and decommissioned by the installer to prevent it being used elsewhere.</p>



Authoritative Sources & Data Attribution

This guide is based on current legislation and industry standards as of April 2026. For further verification or to view the specific codes of practice mentioned, please refer to the following authorities:

- IPART (Independent Pricing and Regulatory Tribunal): For the current list of Accredited Certificate Providers (ACPs) and Energy Savings Scheme (ESS) Rules.
energysustainabilityschemes.nsw.gov.au
- NSW Department of Climate Change, Energy, the Environment and Water: For household eligibility criteria and regional incentive maps.
energy.nsw.gov.au
- Australian Refrigeration Council (ARCTick): For regulations regarding R22 phase-out and licensed refrigerant handling. arctick.org
- Building Commission NSW: For contractor licensing and compliance standards for residential HVAC installations.
fairtrading.nsw.gov.au

Technical Disclaimer

- The information provided in this guide is for general informational purposes only and does not constitute financial, legal, or professional engineering advice.
- Eligibility: Participation in the NSW Energy Savings Scheme is subject to site-specific conditions, including the existing unit type, property location, and the availability of Energy Savings Certificates (ESCs).
- Calculations: Indicative savings and upfront discounts are estimates based on market certificate prices as of early 2026 and are subject to change without notice.
- Verification: Property managers and owners are responsible for verifying that their chosen installer holds a valid NSW Contractor Licence and is partnered with a current Accredited Certificate Provider prior to commencing works.

Jackie Incandela from National AC Rebates is a specialist in Sustainable Property Management and HVAC Solutions. With a focus on the NSW energy landscape, we help homeowners and property managers navigate complex government schemes to drive asset value and environmental performance.

Endnotes

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- ix. New South Wales Climate and Energy Action Air conditioner upgrade incentive. <https://www.energy.nsw.gov.au/households/grants-rebates/household-energy-saving-upgrades/air-conditioner-upgrade-incentive#:~:text=Using%20more%20energy%20efficient%20air%20conditioning%20systems,more%20about%20energy%20efficient%20reverse%2Dcycle%20air%20conditioners.>
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