

The Australian Energy Savings Schemes are having a big impact

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Australian energy savings schemes - including the NSW Energy Savings Scheme (ESS), Victorian Energy Upgrades (VEU), and NSW Peak Demand Reduction Scheme (PDRS) - create tradeable environmental certificates from eligible energy-saving activities. The Energy Efficiency Certificate Creators Association (EECCA) report found these schemes are the key support mechanism for reducing the cost of meeting renewable energy targets and climate change commitments. They operate as market-based programs that enable accredited providers to create certificates, generating revenue that helps fund projects and makes efficiency investments more economically attractive to businesses and building owners.

Publication context: This article reflects its publication date. Market prices, program rules, reporting duties and deadlines may have changed. Confirm current official guidance before making a decision.

There are easy gains to be had from investing in energy efficient technology but consumers need to be pushed along. A recent report by the Energy Efficiency Certificate Creators Association (EECCA) found energy savings schemes operating across Australia are the key support mechanism for reducing the cost of meeting renewable energy targets and other climate change policy commitments.

<http://www.ecogeneration.com.au/the-towering-power-of-energy-savings-schemes/>

Scheme and certificate context

Before using a certificate or grant figure, confirm the current scheme method, eligible activity, effective date, evidence requirements, price date and registration or application process.

Related guidance

Certificate services

Government schemes

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Read the original article for the source publication and its full context.

What are the Australian energy savings schemes and what key impact have they demonstrated?

Australian energy savings schemes—including the NSW Energy Savings Scheme (ESS), Victorian Energy Upgrades (VEU), and NSW Peak Demand Reduction Scheme (PDRS)—create tradeable environmental certificates from eligible energy-saving activities. The Energy Efficiency Certificate Creators Association (EECCA) report found these schemes are the key support mechanism for reducing the cost of meeting renewable energy targets and climate change commitments. They operate as market-based programs that enable accredited providers to create certificates, generating revenue

that helps fund projects and makes efficiency investments more economically attractive to businesses and building owners.

How do Energy Savings Certificates work, and who creates them?

Energy Savings Certificates (ESCs) are created under the NSW Energy Savings Scheme by Accredited Certificate Providers (ACPs) for eligible energy-saving activities. The scheme operates as a market where certificates are tradeable instruments representing verified energy reductions. Certificate creation requires documented customer nomination, evidence of the energy-saving activity, measurement of savings, and compliance with the applicable method and rule version. An installer invoice alone does not establish certificate entitlement; the entire evidence file must meet scheme requirements. We provide support for project assessment, evidence gathering, and certificate applications under these schemes.

Why do consumers need support to adopt energy-efficient technology despite the financial gains available?

The article notes that while easy financial gains exist from investing in energy-efficient technology, consumers need to be pushed to take advantage of them. This reflects market barriers including limited awareness of opportunities, upfront capital requirements, uncertainty about savings, and competing operational priorities. Energy savings schemes address this by creating certificate revenue that reduces the customer's net cost and improves project economics. Our audit and feasibility services help identify opportunities and quantify savings, while certificate assessment can reveal additional funding sources that make projects more attractive and easier to approve.

What is the difference between the NSW Energy Savings Scheme and the Victorian Energy Upgrades scheme?

The NSW Energy Savings Scheme (ESS) operates in New South Wales and creates Energy Savings Certificates (ESCs) through prescribed or project-based methods including PIAM&V; (Project Impact Assessment with Measurement and Verification). The Victorian Energy Upgrades (VEU) scheme operates in Victoria and creates Victorian Energy Efficiency Certificates (VEECs) using prescribed activities or project-based methods including measurement and verification or benchmark rating. Each scheme has its own rules, activity requirements, and technical specifications. The applicable Energy Savings Scheme Rule (effective 7 September 2026) and Victorian Government specifications must be consulted for current eligibility. We provide jurisdiction-specific guidance and project assessment for both schemes.

How should a business determine whether to pursue certificates under an energy savings scheme?

A business should first clarify whether the proposed energy-saving activity meets the particular scheme and method requirements for its jurisdiction. This requires identifying the exact activity, rule version, baseline conditions, and evidence responsibilities before committing to implementation. An initial estimate should disclose the activity, energy calculation, certificate assumptions, and outstanding conditions separately from engineering savings and scheme-recognised savings. The investment case should compare the project with and without certificate proceeds, treating certificates as a conditional funding source. Before relying on certificate value in the business case, verify the activity eligibility, evidence requirements, quantity assumptions, and commercial treatment of certificates with the governing scheme documentation.

What measurement and verification requirements apply to energy savings schemes?

Measurement and verification (M&V;) establishes the actual effect of an energy improvement by comparing post-project consumption against a baseline that accounts for operating variables like production, weather, and hours. In NSW's PIAM&V; method, an approved independent M&V;

professional must deem the baseline measurement procedures appropriate before the implementation date, with written explanatory reasoning provided. In Victoria's project-based method, similar rigor applies. The NSW Government's M&V guide provides technical context, but each scheme defines its own specific requirements. We deliver M&V services including project-boundary selection, baseline modelling, and savings calculation, ensuring the analysis meets both the governing scheme's standards and your organisation's investment verification needs.

What practical steps should be taken before installing energy-saving equipment to preserve funding and certificate options?

Raise funding and scheme questions while the project is still being scoped. Document the exact project stage using separate dates for feasibility approval, final investment decision, purchase commitment, installation, commissioning, and normal operation. Before commitments are made, establish eligibility assumptions, relevant rule dates, required consents, and any conditionality. For ACCU projects, CER's newness guidance identifies certain investment and asset commitments as potentially significant before registration. Appoint one person to coordinate the evidence file and give each missing item an owner and deadline. This coordination prevents technically sound projects from losing certificate or grant options because information was collected too late or baseline data cannot be established retrospectively.

How do energy savings schemes compare with other funding sources for energy projects?

Energy savings schemes (certificates), grants, and financing serve different funding roles and should be assessed separately. Grants provide upfront capital support based on application rounds and eligibility criteria. Certificates create tradeable value from verified savings after the project is implemented and must be calculated and sold according to scheme rules. Financing arrangements are debt-based with their own repayment and security terms. Keep the benefit lines separate in your investment case: energy reduction, tariff effects, certificate proceeds, and grant support should not be added together without understanding their interaction and eligibility restrictions. Before combining support streams, check whether previous incentives or commencement dates affect the proposed application. We can assess pathway suitability and help coordinate evidence across multiple funding sources.

What should an initial energy savings certificate estimate disclose to be useful for decision-making?

A preliminary certificate estimate should identify the activity, applicable rule version, energy calculation method, certificate quantity assumptions, commercial price date, and outstanding conditions. Keep engineering savings, scheme-recognised savings, created certificates, and customer proceeds as separate quantities—they are not interchangeable. Disclose whether amounts are indicative gross values or what the customer would actually receive after agreed charges. State the evidence responsibilities and any professional review steps still pending. An estimate labelled as preliminary until its assumptions and evidence are checked is more useful than a precise-looking return built from unverified inputs. Before relying on a contribution in an investment case, ask for the governing activity document version, main eligibility assumptions, and calculation basis.

How can Northmore Gordon support organisations in capturing value from energy savings schemes?

We provide end-to-end support across the energy-project lifecycle: energy audits identify opportunities and create opportunity registers; measurement and verification planning preserves baseline evidence; investment case development compares options with and without scheme contributions; and environmental certificate assessment determines activity eligibility, evidence requirements, and commercial pathways. Our six-stage approach—Assess, Build the Case, Capture Value, Deliver, Procure, and Perform—connects technical assessment with commercial decisions and ongoing performance. For scheme-specific projects, we deliver project registration support, certificate creation,

and commercial guidance. Early engagement during the scoping phase ensures the evidence, timing, and eligibility conditions are aligned with your chosen scheme's actual requirements.