

BESS PRC Calculator - Northmore Gordon

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BESS PRC Calculator

The BESS PRC Calculator estimates the potential Peak Reduction Certificate (PRC) revenue available for eligible BESS1 to BESS5 battery energy storage projects. It helps project developers and owners understand the financial contribution that Peak Reduction Certificates might provide as part of an energy investment case. The calculator works by taking project parameters—such as battery capacity, inverter output, and proposed operating strategy—and applying the current PDRS activity and method requirements to estimate certificate quantity and potential revenue. Because certificate price and quantity are separate variables, the calculator helps distinguish the PRC contribution from other project benefits like energy savings or tariff period shifting. This tool supports early-stage feasibility and helps identify whether certificate pathways warrant further investigation alongside other funding options.

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What does the BESS PRC Calculator do?

The BESS PRC Calculator estimates the potential Peak Reduction Certificate (PRC) revenue available for eligible BESS1 to BESS5 battery energy storage projects. It helps project developers and owners understand the financial contribution that Peak Reduction Certificates might provide as part of an energy investment case. The calculator works by taking project parameters—such as battery capacity, inverter output, and proposed operating strategy—and applying the current PDRS activity and method requirements to estimate certificate quantity and potential revenue. Because certificate price and quantity are separate variables, the calculator helps distinguish the PRC contribution from other project benefits like energy savings or tariff period shifting. This tool supports early-stage feasibility and helps identify whether certificate pathways warrant further investigation alongside other funding options.

What is a Peak Reduction Certificate (PRC) and how is it created?

A Peak Reduction Certificate (PRC) is the tradeable instrument created by an Authorized Certificate Provider under the NSW Peak Demand Reduction Scheme (PDRS). PRCs are generated from eligible activities—such as battery energy storage systems—that reduce electricity demand during specified peak conditions defined by the scheme. Unlike energy savings, which measure total consumption reduction, peak demand reduction focuses on shifting load away from peak periods. An ACP creates PRCs using the applicable activity definition, method requirements and calculation assumptions. The

BESS PRC Calculator supports this by helping estimate how many certificates a proposed project might generate. However, the calculator provides an estimate only; actual certificate creation requires meeting all scheme requirements, proper documentation of evidence, and submission through an ACP.

Are there specific eligibility restrictions for BESS4 and BESS5 battery projects?

Yes. BESS4 and BESS5 are business battery activities described by IPART beginning on 1 September 2026, with additional rule changes effective from 7 September 2026. Schedule C of the PDRS Rule expressly excludes residential buildings and data centres from both BESS4 and BESS5 eligibility. Capacity alone does not determine eligibility; equipment type, siting, installation approvals and the activity's complete set of requirements must be verified. The BESS PRC Calculator can screen basic project parameters, but a detailed assessment must check the full activity requirements against the current Peak Demand Reduction Scheme Rule document. We recommend submitting a project brief with site classification, battery specifications, network approvals and intended operational arrangements to confirm eligibility before relying on preliminary revenue estimates.

What project information should be prepared before using the BESS PRC Calculator?

Prepare a project information sheet that documents: the site and building classification; battery nominal and usable capacity; inverter output; existing and proposed solar capacity; installation and commissioning dates; network and planning approvals; and proposed operational and aggregation arrangements. Record the actual equipment model and configuration rather than marketing descriptions. If the battery serves multiple purposes—tariff period shifting, demand-charge reduction, resilience improvement or scheme support—document each value stream separately. Distinguish proposed benefits: each represents a separate assessment question and cannot be added without confirming the operating strategy can deliver them together. This information allows the calculator to apply the correct activity definition and method assumptions, and supports later verification that the project meets all PDRS requirements.

How should certificate revenue be compared with other project benefits?

Keep certificate revenue, energy savings, tariff/demand effects and maintenance benefits as separate line items in the investment case. Certificate quantity, eligibility, verification cost and sale price are independent variables; do not add overlapping estimates. A base case should show project economics without unconfirmed certificate proceeds. A separate incentive scenario can model the PRC contribution using a specific price date, quantity assumption and identified conditions still outstanding. Simple payback and other return metrics should disclose their underlying assumptions. The BESS PRC Calculator provides a preliminary estimate of certificate potential, but actual proceeds depend on scheme rules at implementation, market pricing and successful evidence verification. We recommend preparing the investment case with and without conditional certificate support so decision-makers understand the standalone project merit and the financial sensitivity to certificate assumptions.

What does 'interpreting a certificate quotation' mean for BESS projects?

When obtaining a certificate quotation from an ACP or using the BESS PRC Calculator estimate, request the method name, applicable rule date, battery capacity definition, calculation assumptions, price timestamp and any conditions still outstanding. Verify which fees, customer contribution requirements or scheme administration costs are included in the quoted amount. A certificate market value is not a guaranteed customer payment; actual proceeds depend on successful certificate creation and subsequent trading. Before finalising equipment selection, verify the current approved-product, installation and activity requirements directly with the Peak Demand Reduction Scheme Rule document, as recently changed rules can significantly affect a quotation prepared weeks earlier. Our experience with PDRS projects supports interpreting quotations and identifying which assumptions need verification before committing to project scope or financial targets.

How does project timing affect BESS certificate eligibility?

Precise project timing is critical for BESS certificate eligibility. Use separate dates for feasibility approval, investment decision, purchase commitments, installation start, commissioning and commencement of normal operation, as different scheme rules may apply depending on which date triggers the activity. BESS4 and BESS5 activities commenced on 1 September 2026, with full rule requirements effective 7 September 2026. Equipment ordered before but installed after a rule change may face different requirements. Document the actual chronology of studies, applications, quotes and commitments. The BESS PRC Calculator assumes a specific rule date; if your project timeline spans rule changes or regulatory transitions, we recommend a timing review before assuming preliminary estimates remain valid. This prevents selecting a certificate pathway that is later found to be unavailable or requires retrospective evidence collection.

What measurement and verification requirements apply to BESS PRC projects?

BESS projects claiming Peak Reduction Certificates must establish measurement and verification suitable to the chosen method under the PDRS. This typically requires defining the project boundary, selecting relevant demand metrics, documenting baseline conditions and specifying how post-commissioning performance will be measured and compared. The exact M&V requirements depend on the activity method and are set out in the Peak Demand Reduction Scheme Rule and applicable method guidance. Early planning is essential: measurement intervals, data access, responsibilities for gathering evidence, and commissioning documentation should be agreed before installation begins. Our M&V services include project-boundary selection, baseline modelling, data collection planning and reporting. Planning measurement while the project is still being scoped preserves the option to collect complete baseline data and supports later evidence verification required for certificate creation.

What commercial factors should be considered alongside BESS calculator estimates?

Beyond the certificate quantity estimated by the BESS PRC Calculator, consider: certificate market price and timing (quotations have price dates and may change); scheme administration and verification costs; the condition of other scheme eligibility criteria; whether project economics remain acceptable without certificate proceeds; and timing risk if rule changes or scheme closures affect future certificate value. Compare a base case without certificates against an incentive scenario with conservative certificate assumptions. Document whether the quoted or estimated amount represents gross PRC revenue or the actual customer payment after ACP charges. Recognise that a historical BESS project's certificate outcome is tied to that project, rule date and market conditions; similar projects at other sites may have different eligibility, evidence requirements or financial results. We support the commercial assessment of BESS projects by helping identify which certificate pathway is most appropriate, what evidence must be collected, and what conditions need resolving before relying on preliminary revenue estimates in investment decisions.