

Energy Savings Scheme (ESS) Update \| Commercial Lighting Amendments \| 1 Nov 2018

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About this update

This dated government-scheme update is preserved as a historical record and connected to current scheme guidance.

Publication date: October 11, 2018.

Status note: Rules, methods, product requirements, regulators and certificate markets can change after publication. The current legislation, regulator guidance and method documents prevail.

What this article reported

NSW Energy Savings Scheme Update

ESS Commercial Lighting Requirement Changes - Effective November 1, 2018

A summary for the ESS Rule change effective from November 1, 2018. Any existing activities must be registered with IPART prior to the 1st of November in order to claim the existing ESC quantities.

There is now a cap on the Nominal Lamp Power (NLP) for High-Intensity Discharge (HID) Lamp i.e. Mercury Vapor Lamp, Metal Halide Lamp for use in indoor spaces at 400W. Lamps with a higher NLP can only be claimed at 400W. Outdoor fittings on the external faces of buildings can be claimed at the full wattage.

The table below shows how the asset lifetime values have been manipulated to stimulate growth in underserved areas. A discount rate has been applied to most metro installs to promote more regional installs. While car parks and certain types of factories have been bumped up to stimulate more installs in metro and regional areas.

Wattly has provided a quick list one-page summary BCA Quick List Summary and table below.

How to use this information now

Confirm the activity or method, effective dates, accreditation and product rules, baseline, evidence, audit and registration timing before procurement or implementation. Historical certificate values are not current quotes.

Separate source-reported facts from forecasts, targets and commentary. For a current project, retain the official source, version, effective date, assumptions and decision record in the evidence file.

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What NSW Energy Savings Scheme (ESS) rule change is described in this Northmore Gordon update, and when did it take effect?

The update describes ESS commercial lighting requirement changes effective from November 1, 2018. The amendment introduced a cap on Nominal Lamp Power (NLP) for High-Intensity Discharge (HID) lamps used indoors at 400W, meaning lamps with higher wattage ratings could only be claimed at 400W for indoor applications. Outdoor HID fittings on external building faces remained claimable at full wattage. These changes affected how energy savings certificates could be created for commercial lighting projects under the scheme.

What is the Energy Savings Scheme (ESS) and what role do energy savings certificates play in it?

The NSW Energy Savings Scheme, established in 2009, provides financial incentives to install or replace energy-saving equipment in NSW households and businesses. The scheme operates through tradeable Energy Savings Certificates (ESCs). When a project delivers measurable energy savings, Accredited Certificate Providers can create ESCs based on the MWh savings achieved. Electricity retailers operating in NSW purchase these certificates annually to meet legislated energy savings targets. Householders and businesses typically transfer certificate creation rights to ACPs in exchange for cost discounts on their energy-saving activities.

How did the November 2018 commercial lighting amendment affect the calculation of energy savings for HID lamp replacements?

The amendment capped the Nominal Lamp Power calculation for indoor HID lamps (such as Mercury Vapor and Metal Halide lamps) at 400W maximum. Projects proposing lamps with higher wattage ratings could only claim energy savings based on a 400W reference, not the lamp's actual rated power. This reduced the calculated savings and corresponding ESC quantities for high-wattage indoor HID replacements. Outdoor applications retained flexibility to claim at full lamp wattage, creating different economic outcomes for indoor versus outdoor projects and effectively discouraging some indoor high-wattage HID installations.

What was the registration deadline for existing ESS commercial lighting activities, and why was it significant?

Existing commercial lighting activities had to be registered with IPART (Independent Pricing and Regulatory Tribunal) prior to November 1, 2018, to claim ESC quantities under the previous rules. This deadline was significant because activities registered before the date could proceed under the old methodology without the 400W HID cap, while new activities proposed after November 1, 2018, would be subject to the amended rules. Organizations planning commercial lighting upgrades needed to coordinate registration timing carefully to preserve favorable calculation bases where applicable and avoid unexpected impacts on certificate eligibility or quantity.

According to the update, how were asset lifetime values adjusted in the November 2018 amendment, and what was the stated purpose?

The amendment applied differential adjustments to asset lifetime values to stimulate growth in underserved areas. A discount rate was applied to most metropolitan installs to encourage regional uptake, while car parks and certain factory types received increased lifetime values to promote more installs across both metropolitan and regional locations. These adjustments effectively altered the economic incentive structure for different installation types and geographic areas, making some

projects more financially attractive than others. The strategy aimed to broaden market participation beyond areas where the scheme had previously concentrated.

How should organizations interpret the relationship between this November 2018 update and the current ESS rule version?

This update documents changes effective November 1, 2018, but the ESS has since been amended further. The current applicable rule is the Energy Savings Scheme Rule dated 7 September 2026, which supersedes the 2018 version. Organizations assessing new commercial lighting projects must apply the 2026 rule, not the 2018 amendment described here. Historical case studies or project documents referencing the 2018 rules may not establish current requirements. Method-specific guidance current to the applicable rule version should be used to determine eligibility, calculation methodology and evidence standards for any new project assessment.

What resources did Northmore Gordon reference to support understanding of this commercial lighting update?

Northmore Gordon referenced a quick one-page summary (BCA Quick List Summary) and an accompanying table provided by Wattly as supporting materials for this update. These supplementary resources were intended to help readers quickly understand the technical and practical implications of the November 2018 changes. However, for current project assessment, the official ESS Rule and method-specific guidance from IPART should be consulted rather than relying solely on historical summary documents, as rules and requirements have evolved since this 2018 publication.

Why would a commercial building owner planning a lighting retrofit need to consider the timing of the November 2018 ESS amendment?

The November 2018 effective date created a registration deadline that determined which rule version would apply to a project. Buildings planning HID lamp replacements needed to coordinate with their Accredited Certificate Provider to ensure registration occurred before the November 1 cutoff if they wanted to benefit from the pre-amendment calculation basis, which allowed higher wattage claims without the 400W cap. After the deadline, new indoor HID projects faced reduced certificate eligibility, making projects less financially attractive unless other factors—such as outdoor applications or car park lighting—offered better outcomes. Project timing and registration coordination therefore materially affected the financial return calculation.