

Welcome to our July 2026 Compliance Update.

Canonical: <https://northmoregordon.com/news/welcome-to-our-july-2026-compliance-update/>

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About this update

This dated news record has been reorganised for clear reading and connected to current guidance.

Publication date: July 17, 2026.

Status note: Present-tense statements, market figures, deadlines and program details in the archived record belong to its publication date. Check current official sources before making a decision.

What this article reported

Dear Valued Partners,

This month brings several important regulatory developments across the Victorian Energy Upgrades (VEU), Energy Savings Scheme (ESS), Peak Demand Reduction Scheme (PDRS) and the Clean Energy Regulator (CER). These changes will impact installation practices, customer minimum co-payment amounts, battery incentives and future program participation.

We encourage all partners to familiarise themselves with the updates below and review internal processes to ensure ongoing compliance.

VEU UPDATE - SPACE HEATING & COOLING REVIEW

The Department of Energy, Environment and Climate Action (DEECA) has published its response to the Space Heating & Cooling Review consultation, outlining several proposed changes to reverse cycle air conditioner (RCAC) activities that are expected to commence from 30 September 2026.

Key proposed changes

Residential multi-split RCAC incentives will be capped at 20 kW. Systems larger than 20 kW may still be installed; however, no additional VEU incentives will apply above the 20 kW threshold.

The incentive cap will not apply to non-residential installations.

The minimum customer co-payment will increase to \$3,000 (incl. GST) for ducted RCACs and multi-split RCACs with a cooling capacity of 10 kW or greater.

The existing \$1,000 (incl. GST) minimum co-payment will continue to apply for multi-split RCACs below 10 kW.

The department has also confirmed that further consultation on improving RCAC system sizing and design practices will occur later this year.

Please note: these changes remain proposed at this stage, pending further confirmation from the Essential Services Commission (ESC). While the Department of Energy, Environment and Climate Action (DEECA) has released its response to consultation confirming its intended position, the ESC has advised that it will communicate the impact of the changes to the VEU Registry system and program

documents closer to the commencement date. The VEU Specifications have not yet been formally updated to reflect these changes.

We will continue to keep you informed and provide further guidance as additional information becomes available or when the changes are formally implemented.

VEU UPDATE - MIDEA MULTI-SPLIT SYSTEMS

The Essential Services Commission (ESC) has issued an update regarding the previously identified compliance issues affecting certain Midea multi-split air conditioning systems .

Midea has confirmed that the following models have been re-tested and re-rated to a current rating of 32A :

MULMI0618B

MULMI0619B

MDV-V235WN1(AU)-R

MDV-V235WN1(AU)-A

As a result, and consistent with Energy Safe Victoria's (ESV) position, accredited persons are not required to undertake retrospective remediation of previously installed systems, provided they were installed using 32A-rated cabling and a 32A Residual Current Circuit Breaker with Overcurrent Protection (RCBO).

Partners installing these products should ensure all future installations continue to comply with the latest manufacturer specifications and the Wiring Rules (AS/NZS 3000).

The Midea Product Notice can be accessed via the link below for more information.

[Product Notice](#)

PDRS UPDATE - NEW BATTERY ACTIVITIES COMMENCING 1 SEPTEMBER 2026

IPART has approved significant changes to the Peak Demand Reduction Scheme (PDRS), with three new Battery Energy Storage System (BESS) activities commencing from 1 September 2026 .

The new activities include:

BESS 3 - Install a new behind the meter battery energy storage system (apartments) BESS 4 - Install a new behind the meter battery energy storage system (small and medium businesses) BESS 5 - Install a new behind the meter energy storage system (commercial and industrial businesses).

These new activities are expected to create significant opportunities within the NSW battery market.

Northmore Gordon is currently progressing its accreditation application for BESS 3, BESS 4 and BESS 5 activities. We will keep our partners informed of our progress and provide further guidance, training and onboarding information closer to the commencement date.

ESS (NSW) UPDATE

Partners are reminded that from 1 July 2026, installations or replacements involving gas-fired boilers, gas-boosted water heaters and gas space heaters are no longer eligible under the Energy Savings Scheme (ESS).

We encourage all partners to verify project eligibility before commencing works and contact Northmore Gordon where clarification is required.

CER UPDATE - CHEAPER HOME BATTERIES PROGRAM

The Clean Energy Regulator continues to progress the Federal Government's Cheaper Home Batteries Program under the Small-scale Renewable Energy Scheme (SRES).

Eligible battery installations may generate Small-scale Technology Certificates (STCs), helping reduce the upfront cost of battery systems for households and small businesses.

Partners undertaking battery installations should ensure systems meet all eligibility requirements before promoting available incentives to customers.

NSW eCERT & BRIDGE SELECT UPDATE

Bridge Select is actively working towards integration with the NSW eCert platform, introduced by Building Commission NSW. Please note that from 1 July 2026, the BCNSW eCert portal became mandatory for all Certificates of Compliance for Electrical Work (CCEWs), with handwritten and PDF forms no longer accepted.

At this stage, no action is required from partners.

Integration is currently targeted for mid-July 2026, subject to technical onboarding and system integration requirements.

Further updates will be provided as implementation progresses.

IMPORTANT REMINDER - CONSUMER COMPLAINTS

Consumer complaints remain a key area of regulatory focus across the VEU program.

Partners are reminded that all consumer complaints must be investigated promptly and managed professionally. This includes complaints relating to workmanship, product performance, warranties and customer service.

Failure to appropriately address consumer complaints may result in increased regulatory scrutiny and could jeopardise ongoing engagement and participation under the Victorian Energy Upgrades (VEU) program.

Maintaining effective complaint handling procedures and timely communication with customers is essential to delivering positive consumer outcomes and maintaining program integrity.

COMPLIANCE TIP OF THE MONTH

Quality Evidence = Faster Processing

Many validation delays continue to result from incomplete or poor-quality evidence.

Before submitting projects, ensure:

All required photographs are clear and legible.

Product labels and serial numbers are visible.

Geotagging requirements have been met where applicable.

Documentation is complete and consistent with the installation.

A few extra minutes spent verifying evidence before submission can significantly reduce RFIs and validation delays.

CLOSING REMARKS

As regulatory requirements continue to evolve across the VEU, ESS, PDRS and CER programs, maintaining strong compliance systems and proactive quality assurance remains more important than ever.

Northmore Gordon is committed to supporting our partners through these changes while maintaining the integrity of the programs and delivering positive outcomes for consumers.

Should you require clarification on any of the updates outlined above, please contact our Compliance Team via compliance@northmoregordon.com or call 03 9046 1914.

Kind regards, Northmore Gordon Compliance Team

How to use this information now

For current use, confirm the applicable scheme rules, regulator notices, market date and reporting period. Keep historical prices or forecasts separate from present quotes and verified outcomes.

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.

Related guidance

Environmental certificates

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Contact Northmore Gordon

What proposed VEU changes affect reverse cycle air conditioner (RCAC) activities and when would they commence?

DEECA has published its response to Space Heating consultation, proposing the cap not apply to non-residential installations; increasing the minimum customer co-payment to \$3,000 (incl. GST) for ducted RCACs and multi-split RCACs with cooling capacity of 10 kW or greater; maintaining the existing \$1,000 (incl. GST) minimum co-payment for multi-split RCACs below 10 kW; and further consultation later in the year on improving RCAC system sizing and design practices. These changes remain proposed, pending confirmation from the Essential Services Commission (ESC), and the VEU Specifications have not yet been formally updated.

What did the ESC confirm about certain Midea multi-split air conditioning systems?

The Essential Services Commission (ESC) confirmed that Midea has re-tested and re-rated the following models to a current rating of 32A: MULMI0618B, MULMI0619B, MDV-V235WN1(AU)-R, and MDV-V235WN1(AU)-A. Consistent with Energy Safe Victoria's (ESV) position, accredited persons are not required to undertake retrospective remediation of previously installed systems, provided they were installed using 32A-rated cabling and a 32A Residual Current Circuit Breaker with Overcurrent Protection (RCBO). Partners installing these products should ensure future installations comply with the latest manufacturer specifications and the Wiring Rules (AS/NZS 3000).

What new battery activities are commencing under the PDRS, and when?

IPART has approved three new Battery Energy Storage System (BESS) activities under the Peak Demand Reduction Scheme (PDRS), commencing from 1 September 2026: BESS 3 (install a new behind the meter battery energy storage system for apartments), BESS 4 (for small and medium businesses), and BESS 5 (for commercial and industrial businesses). We are currently progressing our accreditation application for these three activities and will keep partners informed of our progress, providing further guidance, training and onboarding information closer to the commencement date.

What changed for gas-fired equipment under the NSW Energy Savings Scheme (ESS) from 1 July 2026?

From 1 July 2026, installations or replacements involving gas-fired boilers, gas-boosted water heaters and gas space heaters are no longer eligible under the Energy Savings Scheme (ESS). Partners are encouraged to verify project eligibility before commencing works and contact Northmore Gordon for clarification where needed. The applicable rule also states that 1 July 2026 also marks the cutoff after which gas-fired space heaters, gas-fired water heaters, gas-fired hot-water boilers, and gas-fired steam boilers can no longer create Energy Savings Certificates under the PIAM&V; method.

Why should practitioners distinguish engineering savings from scheme-recognised savings when preparing initial ESS estimates?

Engineering savings represent the modelled reduction in energy consumption from a proposed improvement, while scheme-recognised savings are the quantity formally acknowledged by the NSW Energy Savings Scheme for that activity. Keeping these separate in initial estimates prevents confusion about project viability and certificate eligibility. A technically sound project may deliver engineering savings that exceed what the scheme recognises, affecting the financial case. This distinction is essential when building an investment case and communicating with customers about actual versus certificated benefits.

What should practitioners verify before relying on a certificate quotation for a battery project?

Request the method and rule date, capacity definition, calculation assumptions, price timestamp and conditions still outstanding from any certificate provider. Ask which fees and customer contribution requirements are included in the quoted amount. A certificate market value is not a guaranteed customer payment. Before equipment selection is final, verify the current approved-product, installation and activity requirements directly with applicable scheme documents. A recently changed rule—such as the 7 September 2026 PDRS amendments—can affect a quotation prepared only weeks earlier, making document checks essential.

How should practitioners approach measurement and verification planning for energy efficiency projects?

Begin by specifying the M&V; purpose: whether the evidence supports internal performance tracking, an investment contract, reporting, or a particular certificate scheme. Establish a practical brief covering boundary, baseline conditions, measurement intervals, data quality checks, implementation records and reporting approach. The NSW Government's M&V; guide provides a project sequence separating responsibilities of energy users, service providers and practitioners. Keep three outputs distinct: engineering estimates, verified energy results, and certificate quantities. Scheme-specific requirements vary; PIAM&V; in NSW and project-based methods in Victoria have their own rules.

What evidence and preparation should accompany an initial enquiry to Northmore Gordon about an energy project?

Provide the organisation and site location, country and Australian state, your role and the decision you need to make. Include any firm deadline. Attach available energy history—at least one year of electricity and fuel records—or a short equipment summary rather than waiting for perfect data. Clearly distinguish estimates from measured information. For certificate projects, disclose previous incentives and clarify who owns energy-saving or renewable-electricity attributes. Complete the chronology with dated studies, applications and physical work. A project brief template helps structure these details and supports proportionate first assessment and scoping discussion.