

Thinking of signing a battery demand response contract?

Things to consider when offered a battery demand response contract through the NSW Government's Peak Demand Reduction Scheme

Things to consider



What is the Peak Demand Reduction Scheme?

The Peak Demand Reduction Scheme (PDRS) is a NSW Government initiative to help reduce electricity demand during peak times, like on hot summer days, by encouraging households and organisations to invest in demand reduction solutions.

The scheme provides incentives for accredited businesses to sign your household battery up to a demand response contract (also known as a Virtual Power Plant or VPP). See the NSW Energy [Sign your battery up to a VPP](#) page and IPART's [Households and small businesses](#) page for more information.



How you get the benefits

The PDRS makes it more attractive to sign a demand response contract for your battery. When you sign a demand response contract, solar energy stored in your battery can be managed by a demand response aggregator (or Virtual Power Plant operator) to help stabilise the electricity grid or when electricity demand is high.

The PDRS enables accredited businesses to create certificates from peak demand reduction that will occur because you signed a demand response contract for your battery. The accredited business can sell these certificates and can use a portion of the certificate value to offer you a better deal. You will typically deal with representatives associated with these accredited businesses.

To be eligible under the PDRS, your battery and the contract you sign must meet certain requirements. The accredited business or its representative will tell you whether your battery and contract is eligible.

The NSW Government does not give a rebate, set the price of certificates or benefits or endorse specific demand response programs.



What you need to do

- 1. Use an accredited business**
You can find an up-to-date list of businesses that can offer demand response contracts under the PDRS on IPART's [Who can help with energy upgrades](#) page. You're not required to use a particular business or sign your battery up to a demand response contract, and an accredited business isn't obliged to provide a service to you. We recommend you shop around to find the best deal possible.
- 2. Consider any offer carefully**
Consider your needs and situation, and the rewards and usage structure of the demand response contract. Some demand response contracts are offered in a bundle with a retail electricity plan, battery installation or other services. A bundled offer may or may not meet your needs. Be sure to do your research, shop around and compare options to find the right deal for you. There is no rush to make a decision.
- 3. Sign a nomination along with the demand response contract**

Note: You may be contacted by an auditor to confirm details of your contract. By assisting the auditor you can help maintain the integrity of the scheme.

Before signing a demand response contract be sure to:

1. Understand the terms and conditions of the demand response contract you are signing.
The arrangement is between yourself and the demand response aggregator, so be sure to read all contract terms and conditions carefully and understand how they will manage your battery.
2. Discuss with the provider any potential impacts the demand response contract may have on your battery and its warranty – see the NSW Energy [Guide to owning a battery](#) page for more information about warranties. Consider how a demand response contract will impact how you use your battery.
3. Understand the highest offer may not be the best value for you, especially if it is bundled with other services. You are under no obligation to sign a demand response contract.
4. Understand any commitments you are asked to make, that households with life support cannot participate, and that you can only access an incentive for signing a demand response contract under the PDRS once in a 3-year period.
5. Carefully consider any agreement or contract you are asked to sign in the same way you would for any other contract for work at your property (see IPART's [Things you should consider](#) page).

Note: IPART accredits businesses to create certificates. It doesn't regulate electricity contracts, which is an Australian Energy Regulator function, or regulate safety or consumer rights, which are NSW Fair Trading functions.

Frequently Asked Questions

What is a demand response contract?

A demand response contract is an agreement between you and a service provider to manage your battery. Just like any other contract you might sign for a service like phone or internet, it should outline the terms, costs and duration of the service. This contract allows the service provider to control when your battery charges and discharges to help manage energy demand during peak times, potentially saving you money.

Who can offer demand response contracts under the PDRS?

Only accredited businesses and their representatives can offer demand response contracts under the PDRS. IPART accredits businesses to create certificates from demand response contracts under the PDRS.

Accredited businesses and their representatives are not employees or representatives of the NSW Government.

A list of businesses that can offer demand response contracts under the PDRS is available on IPART's [Who can help with energy upgrades](#) page. We recommend you shop around for a business/service that best meets your needs.

Why do I need to sign a nomination?

By signing a nomination you give the accredited business the right to create certificates from you signing a demand response contract. They can then sell these certificates, which allows them to offer you a better deal. They cannot create certificates without this form.

Only one accredited business can be nominated for a particular demand response contract, and the nomination must be made before or at the same time you sign the contract.

Who can I contact if I have concerns?

Make sure you know who your demand response aggregator (or Virtual Power Plant operator) and accredited business are and keep their details. If you have concerns before signing up to a demand response contract, speak to them first.

Where can I find more information?

More information is available at NSW Energy's [Household energy saving upgrades](#) page, including information about [signing your battery up to a VPP](#) and [battery installation resources](#).

See IPART's Energy Sustainability Schemes for:

- [general details about the scheme](#)
- information for [households and small businesses](#)
- answers to [frequently asked questions](#).

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