



Peak Demand Reduction Scheme.

In alignment with the NSW Government's plan to encourage peak demand reduction, the NSW Electricity Strategy outlines Peak Demand Reduction Scheme (PDRS) as part of the Energy Security Safeguard.

The primary objective of the PDRS will be to create financial incentives to reduce peak demand for energy.

Peak Period  **2:30pm – 8:30pm AEDT**

The scheme will encourage peak demand reduction activities for both commercial and residential properties by allowing them to create Peak Energy Reduction Certificates (PERCs).

1 PERC  **0.1kWh saved during the outlined peak**

Therefore, if an activity saves 0.2kW for each of the 6 peak hours, they will be eligible to create 12 PERCs for that timeframe ($0.2\text{kW} \times 6 = 1.2\text{kWh saved} = 12 \text{ PERCs}$).

For liable entities, the PDRS liability will come into effect on 1 November 2022. The accreditation of certificate providers will commence on 1 July 2022.

Generated certificates will have an expiry date of 3 years from the date of creation. This means that the certificates can be traded and surrendered (or created and surrendered) within the year of creation and the two subsequent years.

The current liable entities that will participate in the scheme are the energy retailer, the direct supplier of electricity, and a market customer within the meaning of National Electricity Rules.

The scheme has a conservative target to reduce the peak energy demand of 0.5% in the 2022/23 financial year, increasing year on year until 2030 to achieve a 10% reduction.

With a 13% reduction, the Government aims to strengthen energy reliability and security on the path to Net Zero by 2050. A flow on effect will reduce the cost of electricity for customers as peak demand reduces.

As the accreditation and implementation period approaches, details regarding eligible activities under the scheme will emerge.



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