



**ep&t global**

ENVIRONMENT | PROPERTY | TECHNOLOGY

# ESCs Explained

NSW carbon certificates and how they can work for you

# THE NSW ENERGY SAVINGS SCHEME (ESS)

- Through the program, organisations can earn **Energy Savings Certificates** or **ESCs**.
- 1 certificate = 1 MWh of electricity
- The more energy you save, the more certificates you earn
- The scheme runs to 2050
- Electricity retailers purchase ESCs to meet carbon reduction mandates
- **EP&T can help businesses generate and trade ESCs using the NABERS Baseline method**

“The NSW Energy Savings Scheme (ESS) provides financial incentives to install, improve or replace energy savings equipment and appliances in NSW households and businesses. ”

[ess.nsw.gov.au](http://ess.nsw.gov.au)

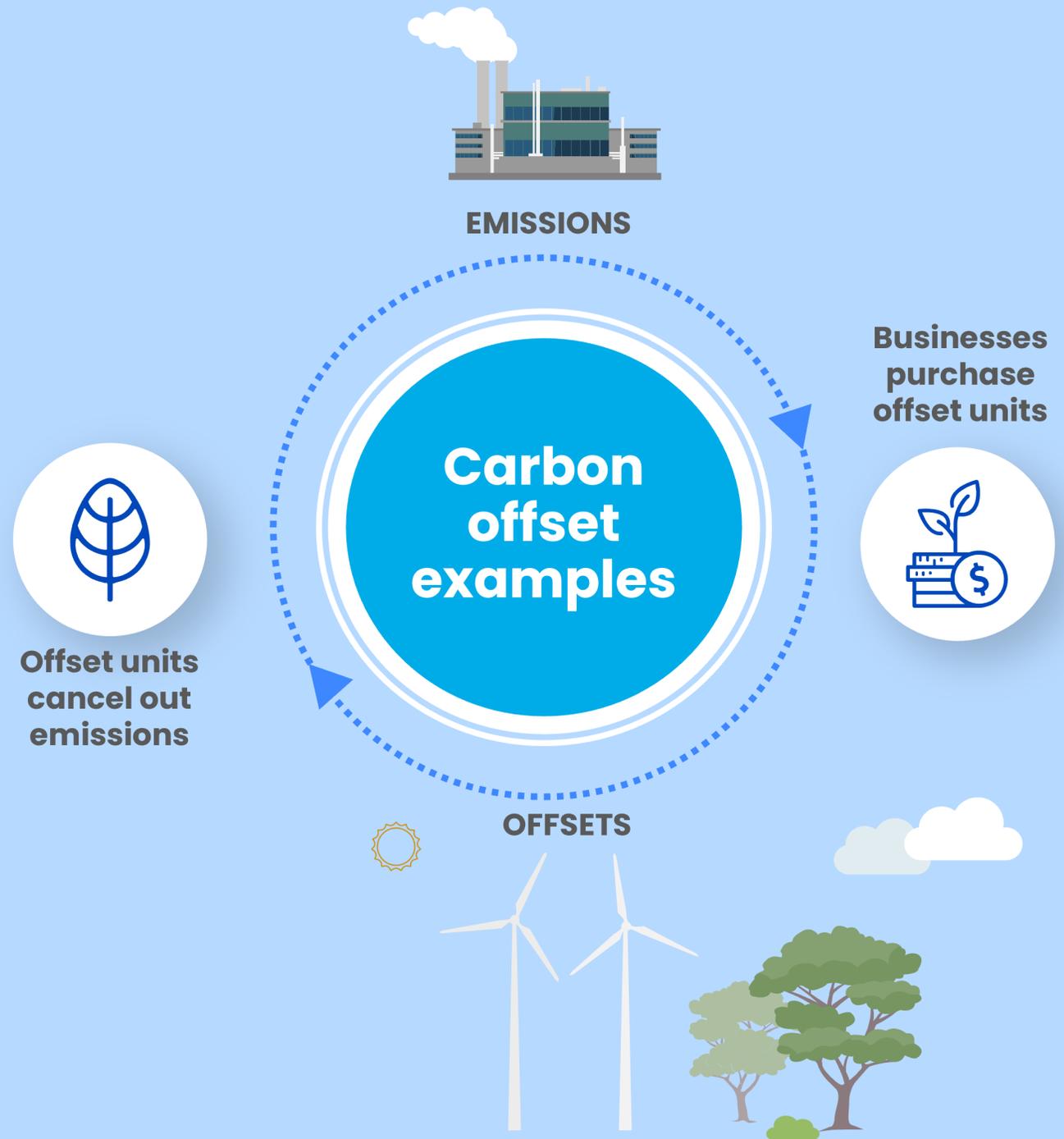


# WHY HAVE AN ESS SCHEME?

There are two types of markets for carbon offsets, **compliance** and **voluntary**.

Carbon offsetting allows you to compensate for the emissions that you produce by reducing CO<sub>2</sub> and other greenhouse gases elsewhere.

This is accomplished by financially supporting projects that reduce carbon dioxide either by capturing existing CO<sub>2</sub> or preventing new emissions from happening.



# WHAT ABOUT ELIGIBILITY?



The [ESS website](#) makes it clear - activities that increase energy efficiency without reducing production or service levels may be eligible under the Energy Savings Scheme.

We've included some key information here.

We recommend you [get in touch with our team](#) to discuss the specifics of your property's eligibility and to make the best use of the NABERS ESC Estimator.

## Eligible activities include:

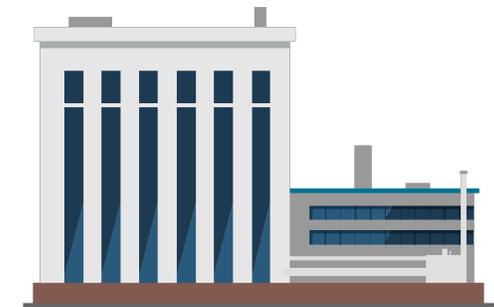
- Modifying end-user equipment or the way it is used (including installing additional components)
- Replacing end-user equipment with other end-user equipment that consumes less energy
- Installing new end-user equipment that consumes less energy than other comparable end-user equipment
- Selling new end-user equipment that consumes less energy than other comparable end-user equipment, or
- Removing end-user equipment so that energy consumption is reduced, as long as there is no negative effect on production or service levels.



## Commercial and Industrial sites

There are a range of activities at commercial and industrial sites that may be eligible. These may include:

- Efficiency improvements or line upgrades at industrial sites (eg, chemical plants, manufacturing plants, mills)
- Behavioural changes in the way energy is used in schools or hospitals
- Installation of efficient refrigeration and cooling systems at retail and commercial sites, and
- Replacement of out of date equipment, or modification and efficiency improvements to existing equipment.

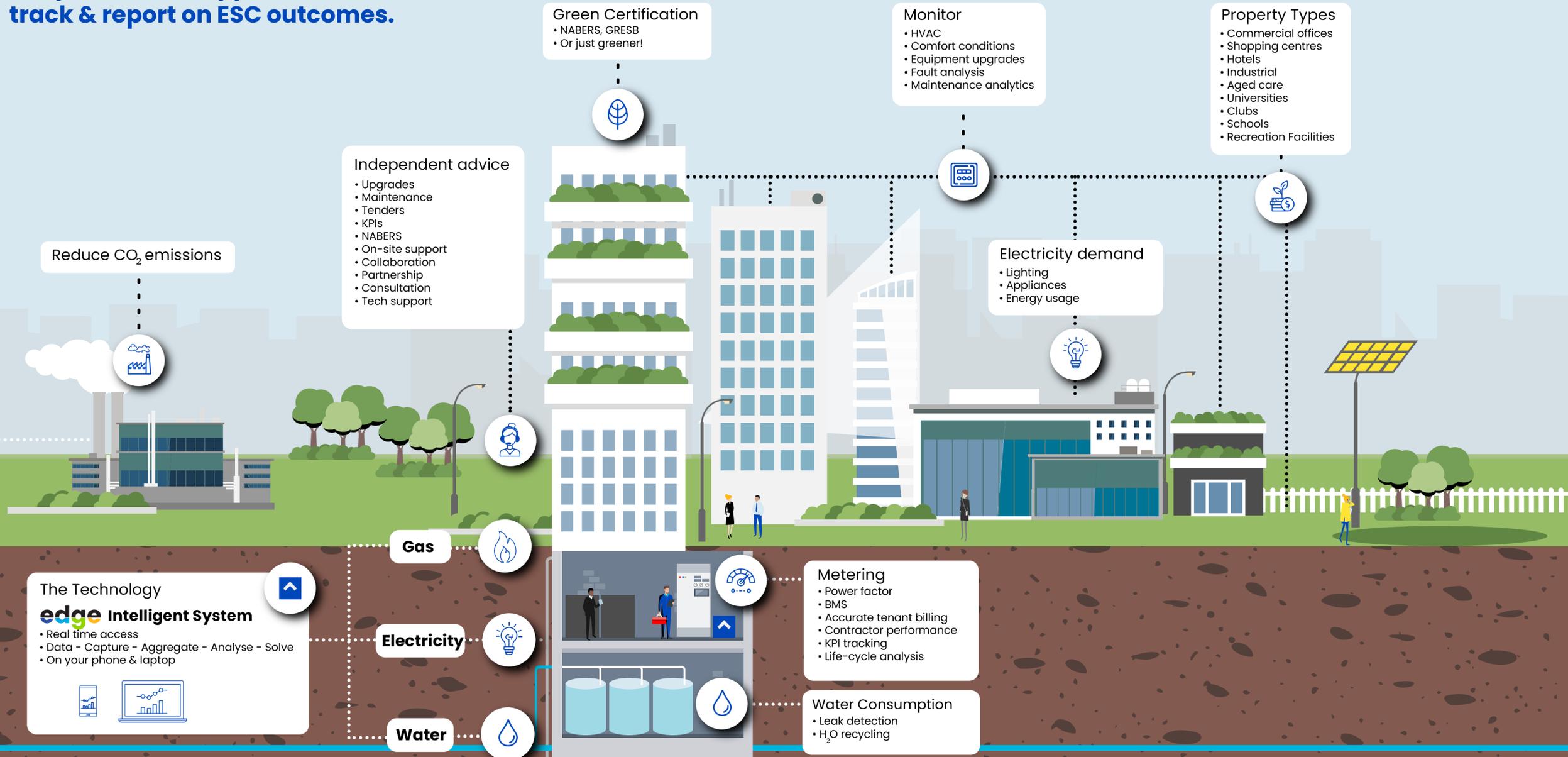


# USE OUR ANALYTICS TO IMPROVE PERFORMANCE

ENERGY | PROPERTY | TECHNOLOGY  
29 years young, 22 countries, 1 Mission:  
Optimising buildings for a sustainable future



The EDGE Intelligent System analytics will provide ESC opportunities and track & report on ESC outcomes.



# ESS ENERGY SAVINGS CALCULATIONS METHODS

There are various methods to claim ESCs, based on the complexity and suitability of the project type.

## Deemed

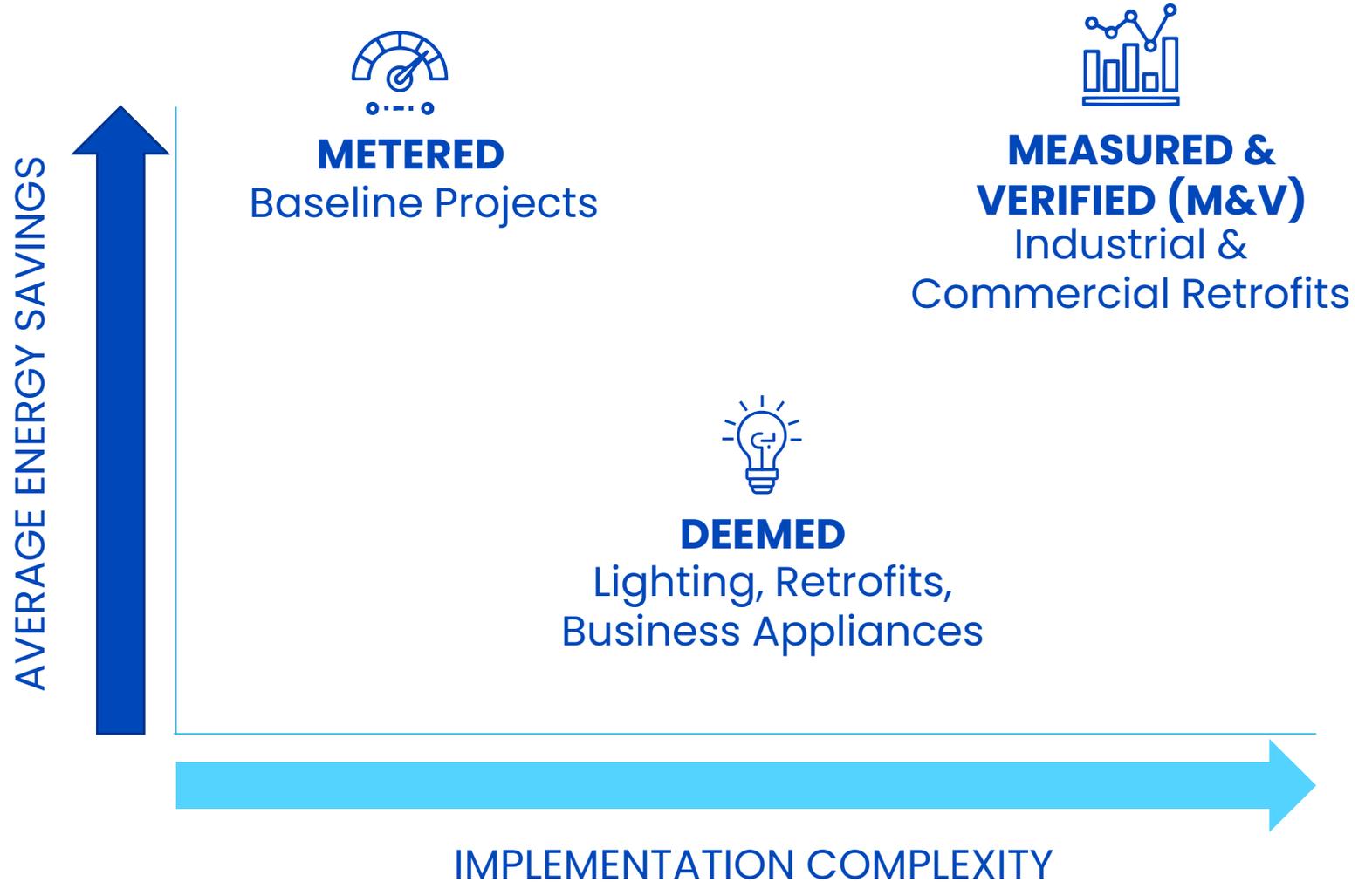
This method is a simple way to claim ESCs for projects such as lighting upgrades. Savings are calculated using default factors.

## Metered baseline

This method compares savings to a normalised baseline such as NABERS. This is a preferred method when capturing multiple energy saving activities at an office asset.

## Measured and Verified

This method requires an engineering assessment, metered data and recognised calculations. You can forward create for 5 years with a discount or complete annually.

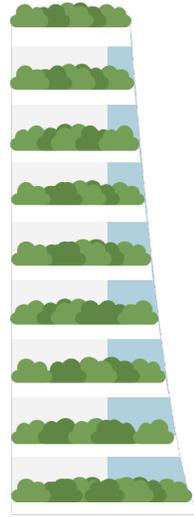


# NABERS BASELINE METHOD

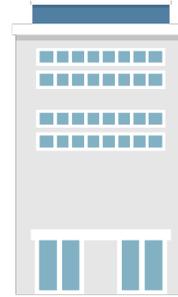
The NABERS Baseline is an approved method under the ESS that allows participants to calculate and generate ESCs using their NABERS Energy Rating.

**ESCs can be generated by any building type for which a NABERS energy rating exists.**

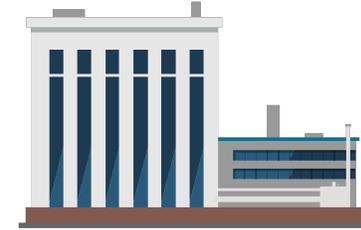
EP&T Global will collaborate with you to choose the right baseline and conduct NABERS ratings to maximise financial benefits.



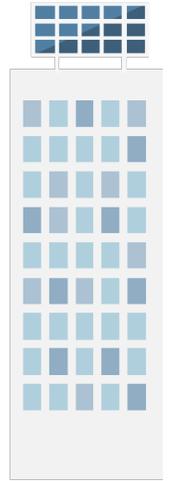
Apartment Buildings



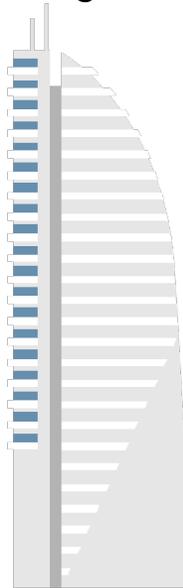
Data Centres



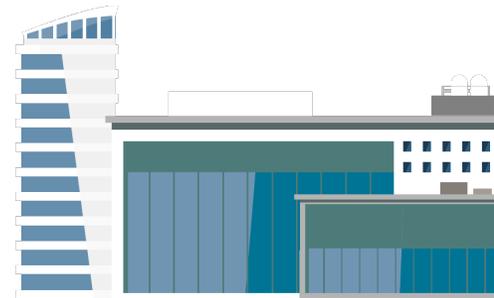
Hospitals



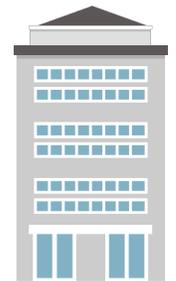
Hotels



Commercial Offices



Shopping Centres



Aged Care/  
Retirement Living

# CREATING ENERGY SAVINGS CERTIFICATES

## Forward Creation (Deeming)

Forward creation, or deeming, is when the expected energy savings of a building are collected in advance. Buildings can forward create ESCs for up to three years and receive the payment all at once. If, during those three years, the building saves more energy than expected, the building can 'top-up' certificates in years two and three. Annual creation is then available until the baseline expires in year seven.

## Annual Creation

Annual creation involves calculating a building's energy savings each year. If a building uses this approach, it can generate ESCs by comparing its current NABERS Energy rating with a previous NABERS Energy rating for the same building. The previous NABERS energy rating can be taken from up to seven years prior to the current rating, however an annual rating adjustment is included in the calculation.



# POTENTIAL SAVINGS – How many ESCs could a NABERS rating generate?

The NABERS website provides estimates around the potential value of ESC generation across different verticals.

## HOTELS

Hotels that improve their NABERS rating from 3 to 3.5 stars could generate ESCs worth:

**\$32k-\$64k**

## OFFICES

Offices that improve their NABERS rating from 3 to 3.5 stars could generate ESCs worth:

**\$18k-\$35k**

**3 → 3.5 stars**

By improving their NABERS star rating from 3 to 3.5 stars, these sectors can create Energy Savings Certificates worth thousands of dollars..

## APARTMENT BUILDINGS

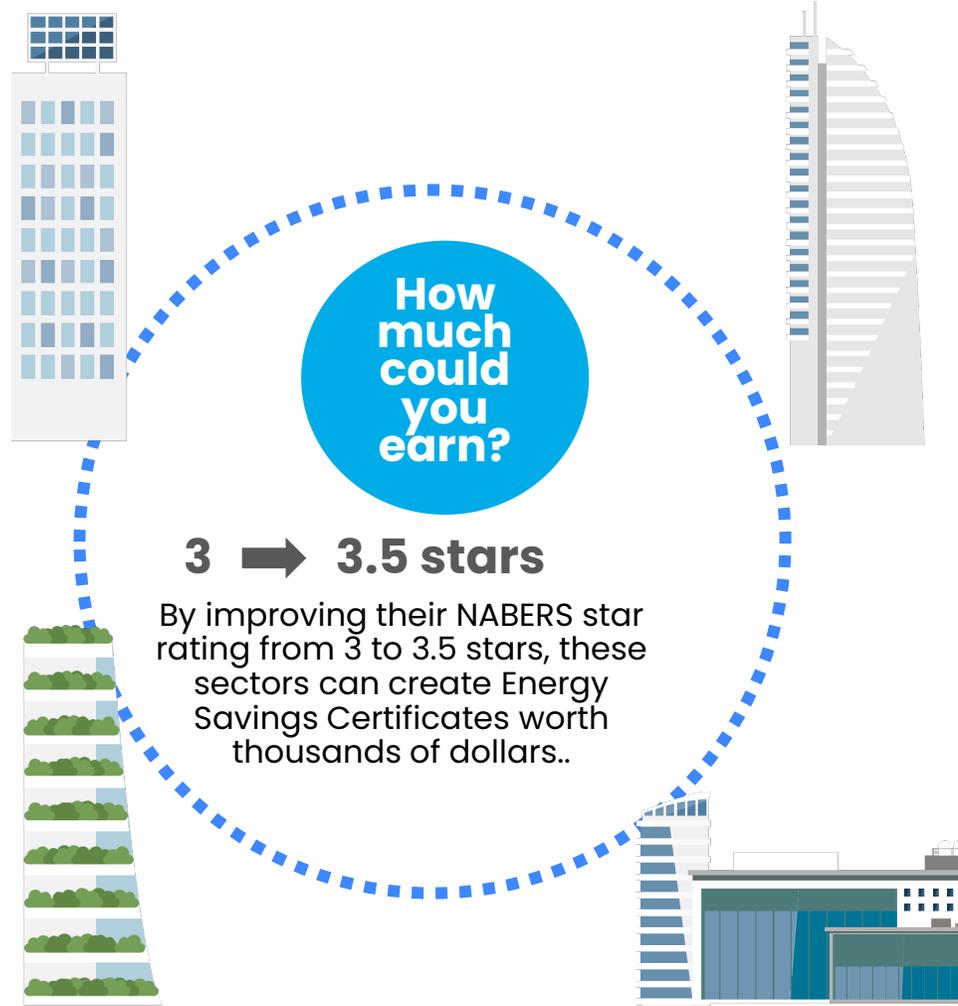
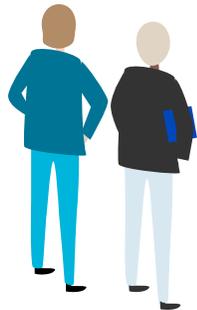
Apartment buildings that improve their NABERS rating from 3 to 3.5 stars could generate ESCs worth:

**\$7k-\$14k**

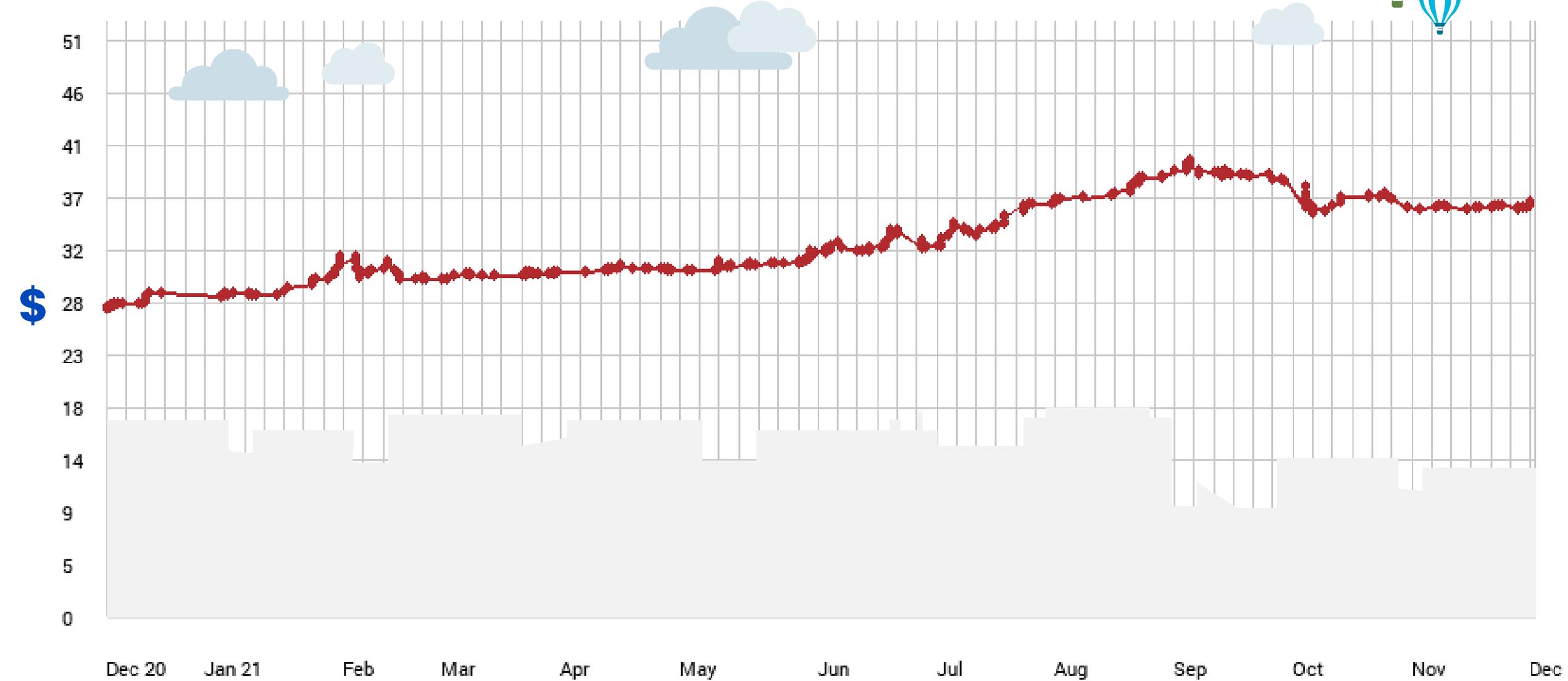
## SHOPPING CENTRES

Shopping centres that improve their NABERS rating from 3 to 3.5 stars could generate ESCs worth:

**\$45k-\$90k**

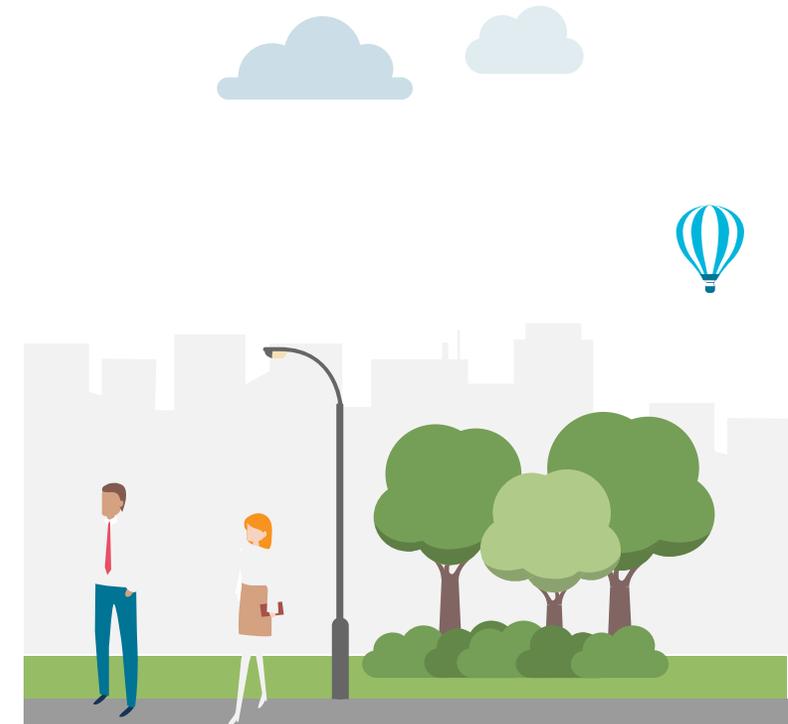


# ESC SPOT PRICE DURING 2021 (\$36.25)



# NEXT STEPS

- 1. Engage an ACP (Accredited Certificate Provider) like EP&T Global**
- 2. We lodge application with nominated baseline ratings to IPART**
- 3. Select the NABERS baseline method 2 as ESC creation mechanism**
- 4. Implement energy efficiency measures at participating sites**
- 5. Claim ESCs for sites improving NABERS energy ratings by 0.5 stars**
- 6. Either hold onto or trade the ESCs when prices are high**



**“What gets measured gets managed.”**

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**Contact EP&T Global**  
[www.eptglobal.com](http://www.eptglobal.com)

[info@eptglobal.com](mailto:info@eptglobal.com)

**Sydney – Australia**  
T: +61 2 8422 6000

**Dubai – Middle East & Africa**  
T: +971 4 874 7547

**London – UK & Europe**  
T: +44 (0) 207 831 7511

**Hong Kong – Asia**  
T: +852 2831 0999