AGL Energy Limited
T 02 9921 2999
agl.com.au
ABN: 74 115 061 375

Level 24, 200 George St
Sydney NSW 2000
Locked Bag 14120 MCMC
Melbourne VIC 8001

NSW Government

Department of Climate Change, Energy, the Environment and Water

Submitted via email: energysecurity@environment.nsw.gov.au

20 February 2026

Dear Sir or Madam,

Energy Security Safeguard: Energy Savings Scheme and Peak Demand Reduction Scheme Rule change

AGL welcomes the opportunity to provide feedback to the New South Wales Department of Climate Change, Energy, the Environment and Water's (DCCEEW) proposed changes to the Energy Savings Scheme (ESS) and Peak Demand Reduction Scheme (PDRS), outlined in the *Energy Security Safeguard: Rule change* consultation paper (Consultation Paper).

As highlighted in our submission on the proposed Policy Reform of the ESS and PDRS, AGL takes its decarbonisation responsibilities seriously and recognises the significant role that we play in helping Australia reach its Net Zero commitments under the Climate Change Act 2022. Our second Climate Transition Action Plan (2025 CTAP), published in August 2025, builds on commitments previously made in AGL's 2022 CTAP, charting a pathway to achieving our ambition of being net zero for Scope 1, 2 and 3 emissions by 2050, alongside setting additional commitments relating to emission reductions, our portfolio rebuild and other initiatives.

AGL recognises the important role of both the NSW Energy Savings Scheme (ESS) and Peak Demand Reduction Scheme (PDRS) in achieving the Energy Security Safeguard objectives of ensuring the energy system is "more reliable, affordable and sustainable". The schemes will play a pivotal role in helping NSW meet objectives set out under the National Consumer Energy Resources (CER) Roadmap, alongside objectives under the National Energy Performance Strategy.

Consumer energy resources now account for a substantial and growing share of NSW's energy landscape, and the ESS and PDRS have been undoubtedly instrumental in helping to drive this uptake. The 2025 Statutory Review (the Review) of the schemes confirmed that the ESS has delivered nearly 29,000 GWh of energy savings and approximately $8 billion in lifetime bill savings for participants, while reducing greenhouse gas emissions by around 27 megatonnes of CO_2 by 2023. Similarly, despite the scheme's infancy, the PDRS has established an effective market in which Accredited Certificate Providers (ACPs) incentivise upgrades that reduce peak demand.

While NSW's CER ESS and PDRS framework has evolved over several iterations, AGL concurs with the Review that several challenges persist. These include instances of over- and under-incentivisation, complexity and uncertainty around stacking of incentives, gaps in consumer protections, and limited data visibility. Addressing these issues will be critical to sustaining momentum and ensuring the schemes continue to deliver value for consumers and the system.

Changes to existing activities

Incentives for the installation of batteries and participation in demand response under the PDRS

There are clear opportunities to enhance demand reduction outcomes and consumer benefits by broadening battery uptake within existing activities. Enabling Cheaper Home Batteries Programme (CHBP) incentives to be combined with those offered under Battery Energy Storage System (BESS)1 and BESS2 would streamline the

current landscape and reduce current duplicative processes for assessment of batteries under both programmes. With NSW battery installations increasing fivefold, it is timely to redirect incentives toward consumers who face barriers to CER access, including households in multi-dwelling buildings and those with limited capacity to meet upfront installation costs.

AGL supports the proposals to allow VPP providers to operate as capacity holders and to expand battery size eligibility to systems larger than 28 kWh with an incentive cap. These changes would support customer uptake and reduce administrative overheads for scheme participants. Increasing consumer participation in VPPs would also support system security and unlock the value of CER for all energy users.

AGL also broadly supports the proposal to remove the onsite solar requirement under BESS2. Removing this requirement would further broaden participation by reducing barriers associated with simultaneous PV and battery investment, particularly for community housing, apartment dwellers, and low-income households. However, it is important to note that current consumer behaviour and understanding around solar installations, combined with market optimisation tactics may influence the uptake of this incentive.

Expanding the capacity-holder definition would also enable greater participation from households unable to adopt CER independently. Only around 25-30 percent of NSW households have rooftop solar.[1] Further broadening this definition under the PDRS Rule 2022,[2] to include representative providers linked to a National Metering Identifier, such as retail providers, would allow entire communities, including public housing and multi-dwelling developments, to access VPP arrangements without additional administrative burden. Through CER programs supporting social and community housing programs, such as *AGL Community Power*, providers can install and operate solar and batteries (often at no upfront cost to customers), as well as offer customers lower retail tariffs by accessing wholesale and network value. This extends the benefits of clean energy to households that would otherwise have difficulty directly accessing the benefits of CER and can help build consumer trust in VPP participation.

AGL also supports NSW DCCEEW's proposal to extend VPP eligibility to larger batteries (batteries with capacity up to 5MW).[3] Inclusion of batteries that are not paired with solar would further broaden participation and improve grid outcomes, particularly for the cohorts mentioned above. It also supports decarbonisation by shifting consumption away from peak periods and reducing reliance on fossil fuel generation.

Given the current administrative complexity facing capacity holders, the improvement of procedural arrangements is essential. Aggregated reporting, such as the AEMO's VPP Visibility reporting, would treat the VPP as a single asset and replace cumbersome household-level submissions.[4] Standardised baselines and measurement methods would reduce compliance uncertainty, while the use of smart meter and battery telemetry data would eliminate the need for manual reporting. Clear rules for incentive stacking and streamlined entry pathways for trusted aggregators would further reduce participation barriers for low-income and multi-dwelling households and improve overall efficiency for all participants.

Finally, AGL supports streamlining warranty obligations by removing ambiguous 'normal use' clauses, while maintaining strong consumer safeguards, including existing six-year minimum warranties, accredited installation standards, and clear recall/ after-sales responsibilities.

---

1 Nexa Advisory, More NSW businesses with rooftop solar would be a 'win win' for power bills and the clean energy transition, June 2024: https://nexaadvisory.com.au/web/wp-content/uploads/2024/06/Accelerating-CI-rooftop-and-batteries-is-a-win-win-Discussion-paper.pdf#:~:text=Shown%20in%20Figure%202%2C%20the%20size%20and,per%20cent%20of%20self%2Dgeneration%20for%20C&I%20consumers.

2 Peak Demand Reduction Scheme Rule of 2022, Cl 4 Definition of Capacity Holder: https://www.energy.nsw.gov.au/sites/default/files/2023-02/2023-PDRS-Rule-1.pdf

3 AEMO, Registering a battery in the NEM, 2024: https://www.aemo.com.au/-/media/files/electricity/nem/participant_information/registration/2024/registration-fact-sheet-nem-battery-systems.pdf?la=en

4 Australian Energy Market Operatory, Virtual Power Plant Visibility Framework, September 2022: https://www.aemo.com.au/consultations/current-and-closed-consultations/virtual-power-plant-visibility-framework

Incentives for air conditioning activities under the ESS and PDRS

Extending eligibility to multi-split systems and large (>65 kW) air conditioners aligns well with broader decarbonisation objectives. However, AGL cautions that harmonising these changes with the Victorian Energy Upgrades (VEU) framework is essential to achieving consistent and positive consumer outcomes in Australia. The VEU program offers substantial upfront rebates for efficient multi-split and large reverse cycle air conditioning systems and has established program settings that extend through to 2045. The activity specification mandates GEMS compliance, accredited installation, and requires a minimum five-year warranty. Without alignment, NSW and Victoria risk creating inconsistent economic outcomes and system level discrepancies, particularly given modern Heating, Ventilation, and Air Conditioning (HVAC) inverter capabilities. Coordinated policy settings across states will maximise manufacturing, network and consumer benefits. This will ultimately serve the Australian market and help avoid inefficiencies that may drive national product suppliers and installers to prioritise certain markets over others, leading to burdensome complexities around orchestrating in multiple jurisdictions.

AGL also notes the expansion of the ESS to recognise HVAC-related decarbonisation opportunities is a positive development for the commercial and industrial sector. However, any such expansion should include simplified and transparent pathways for recognising both energy and peak-demand savings, rather than relying on complex measurement approaches that increase costs and reduce accessibility.

Incentives for commercial heat pump water heaters under the ESS and PDRS

AGL understands the rationale for adjustments to activities to address issues and concerns with measurements and over crediting. However, AGL recommends a phased approach to certificate changes to WH1 activities to preserve momentum toward newly proposed policy targets and maintain stable investment settings.

New opportunities

Incentives for larger commercial and multi-dwelling residential batteries under the PDRS

AGL agrees that shared battery systems offer substantial new opportunities for residents of multi-dwelling properties, including renters and low-income households, to reduce their energy bills and share the benefits of CER. Lowering network augmentation requirement ultimately leads to lower costs for consumers, as well as less reliance and demand on the grid. Extending the activity to commercial and industrial (C&I) settings would also improve access for businesses (who have specific contracts with networks and retailers who have a time-of-use component) and enhance overall grid stability, system resilience, and peak demand outcomes, particularly during dry spells in summer and increasing volatile peaks in winter.

While the uptake of VPP growing, there is still room for further growth in this area. AGL has witnessed an approximate 64% increase in uptake of our own Residential Battery VPP participation across NSW between 2023(FY) and 2025(FY). As we anticipate continued growth in VPPs across Australia, it would be valuable for incentives to apply, however, we consider it would be useful to apply eligibility criteria to ensure they influence behaviour that helps stabilise the grid and lower consumer costs. For example, it would be useful to apply a condition that the CER must have the capability to be orchestrated, like residential batteries, controlled load circuits and other technologies, to enable effective coordination of resources.

Given the strong uptake under the CHBP to date, with more than 183,000 batteries installed in the second half of 2025,[5] it is important that the new activity can be combined with existing incentives for multi-dwelling properties to prevent duplication and consumer confusion. Clarity on stacking arrangements will be essential.

[5] Clean Energy Council, Rooftop solar and storage report, December 2025: https://cleanenergycouncil.org.au/getmedia/16ed1cff-8ddb-423a-b3ad-3f9fa8e4d594/rooftop-solar-and-storage-biannual-report_july-december-2025.pdf

AGL also seeks clarity on the eligibility of distribution-connected batteries that are not co-located with residential or C&I load, including where these are network owned. It is unclear whether these battery systems would be eligible for a capacity holder in the case of network ownership. It is fundamental that the costs for any activity that is trialled or introduced under the schemes are fairly recovered, not duplicated, and that competitive neutrality is maintained. Clear guidance in this area would improve investment certainty and reduce project-level ambiguity.

Alongside considerations regarding battery eligibility, AGL sees clear value in recognising behind-the-meter activity and applying an upper battery rating threshold of up to 5 MW, particularly as backup for critical business loads to help costly downtime. According to Nexa, these batteries, smart inverters and controllable loads can turn large sites into dispatchable resources, with 'orchestration' measures to deliver system and market benefits via incentivisation to reduce peak demand.[6]

However, the proposed lower limits of 200 kWh for the C&I sector and 100 kWh for multi-dwelling residential sites, risk constraining participation in the scheme. These thresholds would block many of the opportunities intended to arise from stacking PDRS and CHBP incentives, limiting access for the very cohorts the reforms aim to support - multi-dwelling complexes. The use of two separate lower thresholds also creates unnecessary complexity, and the consultation materials offer little justification for the values proposed. Given the potential for these limits to fragment the market and restrict consumer access, AGL encourages the NSW Government to align the lower thresholds with those established under the CHBP. Harmonisation across schemes is essential to ensure consistency, clarity and equitable access to the benefits of CER.

A further inconsistency arises where the upper limit is described using power (kW), while the lower limit uses energy (kWh). The thresholds should be expressed consistently, including both energy and power limits at both ends of the range, to reduce confusion and produce clearer investment signals.

Finally, AGL strongly supports NSW DCCEEW's proposal for upfront deeming. Upfront deeming remains the most practical and effective method to encourage early investment in C&I and multi-dwelling battery installations. Conversely, staging PDRS certificates based on measured outcomes likely introduces the risk of early market distortion. Consequently, AGL encourages the NSW Government to adopt upfront deeming with scheduled reviews to recalibrate incentives as market evidence develops to ensure this new opportunity remains fit for purpose and delivers its objectives for equitable consumer outcomes and reduction in peak demand from C&I.

Incentives for smart and Vehicle to Grid charging activities under the PDRS

AGL commends the NSW Government for its foresight around encouraging uptake of smart charging and vehicle-to-grid (V2G) opportunities. While nascent, both can deliver greater consumer and grid benefits, such as lower costs and improved system security and network reliability. However, while AGL supports the proposals in principle, we hold some concern around how they will work in practice under the PDRS, which may lead to poor customer outcomes e.g., without formal OEM vehicle approval and warranty inclusions, customers are at risk of voiding their car battery warranty.

Although AGL strongly supports the proposal to allow incentives for smart charging and V2G to apply without the requirement to have solar on site due to its equitable benefits for consumers, we hold concern regarding limitations for eligibility to installations where both the EVSE is bidirectional and the vehicle model explicitly supports V2G in its technical specifications or warranty.

Limiting eligibility at this early stage while the V2G market is still maturing may unintentionally exclude EV models that are technically capable of bidirectional operation but do not yet meet specific PDRS criteria. This could consequently dampen participation just as the market is beginning to grow. Insights from trials, including AGL's

[6] Nexa Advisory, UNTAPPED POTENTIAL OF COMMERCIAL & INDUSTRIAL ENERGY RESOURCES IN THE NEM, September 2025: Nexa-Advisory-report_Commercial-and-Industrial-CER.pdf

ARENA V2G program, indicate that current limitations are often due to bottlenecks in EVSE hardware approval, rather than any lack of capability within the vehicles themselves. These trials have also identified many EVs that can operate bidirectionally despite not being formally approved by manufacturers. For example, Sigenergy has noted more than 50 models of EVs contain smart-charging and V2G potential.[7] Likewise, a narrower approach could also constrain the second-hand EV market, as older vehicles may be technically capable of V2G even if they pre-date formal specifications or warranty provisions. This may limit consumers' ability to participate in grid services and reduce opportunities to use EVs as backup power sources at home.

However, since the emergence of V2G capable chargers for home, which have subsequently been approved by DNSPs and CEC for grid connectivity, there has been a shift in consumer behaviour and early adopter uptake. AGL therefore recommends restricting eligibility to the EVSE charger rather than EV, as this is what ultimately enables connection to the grid. This shift and early adopter uptake have been in part due to the emergence of V2G capable chargers for home which have been approved by DNSPs and CEC for grid connectivity.

Nevertheless, it is worth noting that any policy frameworks that include V2H and V2G must remain flexible at this time. This is to ensure that current frameworks or standards do not limit product availability and innovation. Presently, V2H and V2G technologies remain at trial-stage, with only two CEC-approved products currently available. Customer adoption has been minimal to date, driven by high costs, limited consumer awareness of V2G/V2H capabilities, and ongoing concerns regarding EV battery warranty implications. Given this early stage of development, it is important that flexibility is maintained to continue exploring interoperability and capability measures. AGL therefore recommends that the NSW Government revisit any proposed regulatory measures for V2H and V2G once a broader range of products becomes available to consumers.

As V2H and V2G technologies mature, broader CEC product approvals and declining prices, trending toward parity with conventional solar inverters, are expected to drive significant increases in consumer uptake. However, to ensure immediate consumer safety, warranty requirements should be placed under a formal registry, potentially administered by an organisation such as the CEC, which already oversees other CER registry obligations.[8] This approach is more likely to influence OEM vehicle warranty inclusions and strengthen consumer protection as the technology evolves and the associated risks become clearer.

Finally, AGL supports NSW DCCEEW's proposal for the creation of an industry register. This mirrors other existing third-party register such as the CEC's approved solar PV modules, inverters and batteries product lists. We would support this register being held and managed by a similar industry body, and to be consistently used across different incentive schemes.

AGL has provided feedback to DCCEEW's consultation questions below in Annexure one that are relevant to our business. Please also refer to AGL's accompanying submission on the ESS and PDRS Policy Reform for further feedback.

If you have any questions about this submission, please do not hesitate to contact Emma Holloway, Manager Policy and Market Regulation at eholloway@agl.com.au.

About AGL

Proudly Australian since 1837, AGL delivers around 4.6 million gas, electricity, and telecommunications services to our residential, small and large business, and wholesale customers across Australia. AGL operates the largest electricity generation portfolio in Australia of any ASX-listed company, with a total operated generation capacity of almost 8000 MW across Australia. AGL is Australia's largest privately-owned hydro power station operator and operates the largest portfolio of renewables and storage assets of any ASX listed company. Since 2006,

[7] Signergy, Sigenergy V2X Compatibility: https://www.sigenergy.com/en/index/v2x_compatibility

[8] Clean Energy Council, Approved PV Modules: https://cleanenergycouncil.org.au/industry-programs/products-program/modules

AGL has invested billions of dollars in the construction and delivery of over 2 GW of renewable and firming capacity in the National Electricity Market.

Annexure one: AGL Responses to Consultation Questions

Consultation questions	AGL Feedback
Changes to existing activities	
Peak Demand Reduction Scheme: Residential and small business battery installations	
1. Are there any sectors that we have not identified that also have a genuine financial need and could be supported by an Exempt Energy Program?	Not applicable.
2. Should NSW Government agencies outside of DCCEEW and local government run Exempt Energy Programs?	Yes. AGL supports the enabling of appropriate non-government entities, such as Energy Retailers, to run Exempt Energy Programs. As providers, such as AGL, are highly regulated under the National Energy Retail Law (NSW) 2012, as well as members of the Energy and Water Ombudsman, we are well positioned to assist and connect varying cohorts of consumers.
3. Are there other facilities that meet the criteria of being safe and have the potential to add new value that should be considered to run Exempt Energy Programs?	Yes. AGL considers there are a number of non-governmental organisations that would be eligible to run Energy Exempt Programs. For instance, it would be beneficial to grant organisations that run CER programs that support social and community housing programs, Exempt Energy Program status to grow and scale those initiatives by enabling more attractive incentives to be offered to qualifying participants under the schemes. It would be beneficial for NSW DCCEEW to undertake further consultation regarding other facilities that may be able to run Exempt Energy Programs.
4. What other criteria we should consider for facilities to be eligible to run Exempt Energy Programs?	AGL encourages the NSW Government include the following eligibility criteria for an Exempt Energy Programs management entity: a. **Minimum experience** in developing and deploying consumer energy products and services in market. Regardless of whether the program is commercial or community-led, successful Exempt Energy Program administrators should demonstrate they have, or have engaged external partners with, organisational, technical, delivery and customer service experience and capacity to deliver on the objectives of the Exempt Energy Program proposed. b. **Industry and Regulatory code commitments and compliance record** - NETCC, EWON membership and adherence to these and other applicable regulatory frameworks. c. **Fast-track existing pilot programs to Exempt Energy Program status** - NSW Government can accelerate the energy transition and engagement of historically excluded customer cohorts by enabling CER and electrification pilot programs to mature and scale-up by fast-tracking applications by organisations, such as AGL Community Power, that demonstrate successful delivery in pilot stage or in another jurisdiction.
5. What are your views on allowing battery installation incentives for government owned and operated facilities and Exempt Energy Programs?	AGL supports the proposal. Please refer to the submission attached for more detail.
Onboarding batteries with demand response aggregators	
6. Please provide your feedback on the current Rule and options being considered, with supporting evidence where possible. You're invited to suggest additional approaches that accomplish the same policy objectives: • timing of virtual power plant ACP nomination • changing the virtual power plant capacity holder • expanding battery size eligibility for BESS2 • requiring solar for BESS2 eligibility • warranties for batteries participating in BESS2.	Please refer to our submission attached for AGL's response.

	Energy Savings Scheme and Peak Demand Reduction Scheme: Air conditioning activities	
7.	What are your views on the proposed changes to air conditioning activities?	Please refer to our submission above for attached for AGL's response.
8.	What are your views on the proposed option to calculate Energy Savings Scheme and Peak Demand Reduction Scheme incentives? How can we ensure savings for multi-split systems are representative and installations are fit for purpose?	AGL supports the expansion of the ESS to accommodate decarbonisation of the C&I sector. However, we promote the streamlining of this process to ensure consumers are able to understand and recognise energy savings from the upgrades.
9.	What are the potential risks from excluding certain product classes from Energy Savings Scheme and Peak Demand Reduction Scheme incentives?	Please refer to our submission attached for AGL's response.
	Liquid chilling packages	
10.	What are your views on the proposed increase of the lifetime of liquid chilling packages to 12 years in Activity Definition F2?	Not applicable.
	Peak Demand Reduction Scheme: Commercial heat pump water heaters	
11.	What do you think is the size and scope for thermal storage opportunities in NSW?	Not applicable.
12.	Why do you think the development of a measurement-based method for thermal storage projects should or shouldn't be supported?	Not applicable.
13.	What are the key challenges to consider when developing a project-based measurement method for thermal storage?	Not applicable.
	Energy Savings Scheme: Commercial heat pump water heaters activities	
14.	What are your views on updating the confidence factors for commercial heat pump water heaters?	AGL supports this proposal in principle.
15.	What are your views on the commencement timing of the proposed Rule change?	Following the consultation paper, if no amendments are made to the confidence factor, AGL supports a commencement date proposed for updated confidence factors F16 and F17. However, if amendments proceed, AGL strongly encourages a 90-day transition period be considered.
	Fuel switching activity as a Recognised Energy Saving Activity	
16.	What are your views on the proposed changes to the emissions factors of eligible fuel types within the Energy Savings Scheme Rule? How do they affect your planned or ongoing projects?	Not applicable.
	Effective Range Adjustment Factor – Project Impact Assessment with Measurement and Verification method	
17.	What are your views on the proposed revision to the Non-Routine Events and Adjustments (NRE-A) Requirements to allow Effective Range Adjustment Factor (ERAF) to apply to all Project Impact Assessment with Measurement and Verification (PIAM&V) projects?	Not applicable.
18.	Would the proposed revision present any risks of manipulating the modelling	Not applicable.

	to increase the number of Energy Savings Certificates (ESCs) from PIAM&V projects?	
Exploring new opportunities		
Peak Demand Reduction Scheme: Larger commercial and multi-dwelling residential batteries		
19.	What impacts do you anticipate the proposed incentive levels will have on battery uptake in commercial and industrial (C&I) and multi-dwelling residential sectors?	Please refer to our submission attached for AGL's response.
20.	What safety considerations or requirements should be factored in for incentivising battery installations in commercial and industrial (C&I) and multi-dwelling residential sectors?	Not applicable.
21.	What are your thoughts on the proposed battery capacity thresholds for commercial and industrial (C&I) and multi-dwelling residential incentives?	Please refer to our submission attached for AGL's response.
22.	What data or evidence could help inform a more robust and effective incentive structure for commercial and industrial (C&I) and multi-dwelling residential batteries?	AGL strongly encourages NSW DCEEW and IPART to engage and align evidence requirements for C&I and multi-dwelling batteries with their Victorian Government counterparts. Please refer to AGL's concern related to the PDRS Rule's definition outlined in the attached submission paper for more detail.
23.	What challenges might arise if larger batteries are required to register as Voluntarily Scheduled Resources (VSR) under the Integrating Price-Responsive Resources into the National Electricity Market (IPRR) rule?	Larger C&I and multi-dwelling residential batteries should be supported by the PDRS regardless of whether there is a requirement to nominate as VSRs under the IPRR Rule. These systems would be meeting the objectives of both schemes by shaping demand on-site to reduce peak demand (PDRS) while improving the visibility of a previously unscheduled price-responsive resource and promoting market efficiency (IPRR).
24.	What do you think is stopping customers from using smart charging and vehicle-to-grid (V2G) technology today?	Education appears to be a significant barrier to uptake of smart charging and V2H/V2G. due to products being nascent in the market, AGL has recognised inconsistent understanding around charger capabilities and what they can do for households. Furthermore, smart charging adoption is currently limited due to current inconsistent capability at the point of sale and installation. AGL is aware that contracted charger installers appear to have inconsistent training for how to approach installation and configuration, as well as assist consumers in understanding the useful features associated with their product for maximum cost benefit and outcomes e.g., connecting a consumer to a retail product that maximises the value of smart charging. It is important for that all parties involved in smart charging and V2G have a good understanding of bidirectional power flow, orchestration and export constraints prior to investing. Therefore, AGL recommends NSW DCCEWW to explore and develop an educational campaign alongside the development of these incentives to ensure consumers are making informed choices. Likewise, we encourage the NSW Government to investigate the value of creating new operational requirements for installers to ensure consistent outcomes across NSW for EV charging. Lastly, AGL believes consumer concern about battery degradation remains a significant barrier for the use of smart charging and V2G technology, even though it has minimal impact on the battery itself. Consequently, it may be worth including warranty requirements for V2H and V2G technology that is recorded by under a registry, possibly maintained by the CEC.
25.	Given the broader functionality of vehicle-to-grid (V2G), should smart charging be included in the Peak Demand Reduction Scheme (PDRS) as a separate activity? How can we confidently measure	Please refer to our submission attached for AGL's response.

	the impact of smart charging, and ensure that incentives are driving new behaviour and not just rewarding what's already happening?	
26.	What limitations should be placed on eligibility for a smart charging or vehicle-to-grid (V2G) incentive under the Peak Demand Reduction Scheme (PDRS)?	In considering limitations on eligibility for smart-charging and V2G incentives under the PDRS, it is important to balance consumer safety and product quality with the need to avoid unnecessarily constraining an emerging market. On one hand, minimum standards are essential to ensure that installations use reputable, safe and technically robust equipment, particularly given that V2G remains a nascent technology and consumer trust is still developing. Early adoption depends heavily on positive user experience, and the introduction of low-quality or poorly certified devices could undermine confidence before the market has matured. At the same time, eligibility settings should not be so prescriptive that they exclude technically capable EVs or chargers, particularly where international standards or successful trial learnings demonstrate safe and effective operation, even if formal OEM approval or domestic certification processes are still catching up. A balanced approach would therefore require basic safety, interoperability and certification thresholds while avoiding unnecessary restrictions that would narrow consumer choice or impede natural market growth.
27.	How can this smart charging or vehicle-to-grid (V2G) activity be designed to keep administration simple and cost-effective, so more value flows directly to consumers?	Given the early stage of V2H and V2G development, little is known about likely consumer uptake or behavioural patterns. However, to influence uptake and installation of smart and V2H/V2G enabled devices, one practical, cost-effective and simple approach to ensure an appropriate level of certificates are obtained so consumers receive value could include the following requirements under the PDRS Rules: 1. Itemised certificate value discount for customer's purchase orders. This would create a level of transparency where vale would be passed through and could extend beyond a cash discount to a product or service equivalent, without it being a minimum co-payment. Existing scheme participants are familiar with minimum co-payment requirements, as they have been a feature of several ESS and PDRS in activities for many years; or 2. Capture the customer out-of-pocket amounts for each implementation in the Energy Security Safeguard Application (TESSA). While this requires some development, the benefits of the data will create visibility of the market trends and enable policy makers to govern the activity with a data-informed, market responsive approach. The Clean Energy Regulator implemented a similar STC claim data requirement under the SRES to monitor the effect of the Solar Credits multiplier available from 2009-2012. While we consider these approaches to be a practical solution to influencing future uptake, we recommend the NSW Government maintain flexibility in the PDRS Rules to ensure interoperability and models are not limited and innovation is allowed to grow. Due to V2G's current developing capability for providing power back into the grid, AGL strongly recommends the NSW initially provide certificates dedicated to V2H only, with a forward focus of including V2G once capability and interoperability has reached maturity. Furthermore, a practical way to keep administration simple and cost-effective would be to allow industry to take the lead in developing and maintaining a centralised register of approved or accredited V2G-capable products, similar to existing models used for solar and batteries, such as the Clean Energy Council's product lists. As the V2G market matures, an industry-maintained register, potentially overseen by bodies such as the EV Council, could provide a streamlined mechanism for verifying equipment, reducing regulatory overhead, and avoiding premature or overly prescriptive eligibility rules. In the interim, designing the activity with flexible settings, light-touch governance and clear pathways for adding new products as evidence emerges will help ensure that administrative complexity is minimised and that value flows efficiently to consumers as the market develops.
28.	How will vehicle-to-grid (V2G) impact electric vehicle (EV) warranty, and what role should the Peak Demand Reduction Scheme (PDRS) play in protecting consumers in this regard?	Please refer to our submission attached for AGL's response.