NABERS BASELINE METHOD

NABERS

NSW Energy Savings Scheme

Find out how your NABERS Energy rating can earn you thousands of dollars

WHAT IS THE NSW ENERGY SAVINGS SCHEME?

The NSW Energy Savings Scheme (ESS) promotes energy efficiency by providing financial incentives for organisations to reduce their energy consumption.

When a business can prove that it has reduced its energy use without also reducing its production or service levels, it can earn Energy Savings Certificates (ESCs).

ESCs are the 'currency' of the ESS and are calculated based on the amount of energy saved when the business undertakes energy saving activities - one certificate is created for approximately 1MWh of electricity or 0.39 MWh of gas saved. ESCs are purchased by electricity retailers and other organisations to meet regulatory obligations and energy saving targets.

Accredited Certificate Providers (ACPs) create, register and sell ESCs for their own company or on behalf of a client.

ESCs are generated through a number of approved energy saving methods designed for particular sectors and activities. The NABERS Baseline is an approved method that uses a NABERS Energy rating to calculate ESCs from verified annual energy savings.

CREATING ENERGY SAVINGS CERTIFICATES (ESCS)

There are two ways to create ESCs using the NABERS Baseline Method:

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.

NABERS BASELINE METHOD

In March 2020, improvements to the NABERS baseline method made it easier for building owners and asset managers to create ESCs.

The NABERS Baseline method calculates ESCs using inputs from a NABERS Energy rating that is at least 0.5 stars higher than the benchmark NABERS rating.

HOW IS THE BENCHMARK RATING CALCULATED?

There are two methods to calculate the Benchmark NABERS Rating:

METHOD 1

BENCHMARK NABERS RATING INDEX ELIGIBILITY

CALCULATION

— Based on performance above the market average energy rating for a building of the same type.

As listed in Table A20 of the ESS Rule

ELIGIBILITY

— Must be a NSW building to use NABERS Baseline Method

— Must be the building's first NABERS rating

— Must have a star performance at least 0.5 stars over the set benchmark rating

As listed in Table A20 of the ESS Rule

AVAILABILITY

— Available for all building types that are eligible for a NABERS Energy rating

— Not available if the rating was done to meet a legal requirement e.g. Commercial Building Disclosure

— Available only for the energy efficiency component of the rating. Excludes Green Power

CREATING ESCS

— Forward creation not available

— Annual creation not available

METHOD 2

HISTORICAL BASELINE NABERS RATING ELIGIBILITY

CALCULATION

— Based on performance above a previous rating for the same building

Can be taken from up to seven years prior to the current rating year

ELIGIBILITY

— Must be a NSW building to use NABERS Baseline Method

— Must have a previous NABERS rating

— Must have at least an 0.5 star increase from a previous rating

Previous rating can be from one to seven years ago

AVAILABILITY

— Available for all building types that are eligible for a NABERS Energy rating

— Available only for the energy efficiency component of the rating. Excludes Green Power

CREATING ESCS

— Forward creation available for up to three years

— Annual creation available for up to seven years before the current rating

HOW MANY ESCS COULD A NABERS RATING GENERATE?

ESCs are calculated and created based on the amount of energy saved.

In the examples modelled below, the potential ESC earnings are based on an average NABERS rated building improving by 0.5 stars.

HOTELS

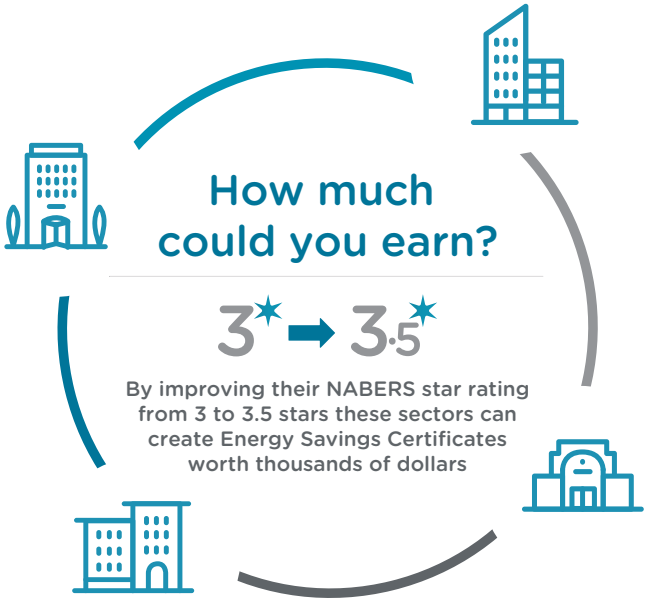
Hotels that improve their NABERS rating from 3 to 3.5 stars could generate ESCs worth:

$32k - $64k

APARTMENT BUILDINGS

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

$7k - $14k



OFFICES

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

$18k - $35k

SHOPPING CENTRES

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

$45k - $90k

↑ Data: Over three years, NABERS baseline method - forward creation
Average building characteristics based on NABERS data.*

GET A NABERS ENERGY BASELINE RATING

1. GATHER YOUR DATA

Gather 12 months of historical data for your building and submit your NABERS rating. NABERS will validate your data and your NABERS rating will become your baseline for energy efficiency improvements.

2. MAKE YOUR PLAN

Make a plan to reduce your energy consumption during the next 12 months.

4. CONTACT AN ACP

Contact an Accredited Certificate Provider (ACP). Choose a NABERS ACP from the registered list and find out if you are eligible to participate.

3. IMPROVE YOUR RATING

Work with an ACP and a NABERS Assessor to reduce your energy consumption. Collect data, track performance and generate ESCs.

GET INVOLVED

Visit our website
www.nabers.gov.au

Contact the NABERS team
nabers@environment.nsw.gov.au
(02) 9995 5000

NABERS is a national initiative managed by the NSW Government on behalf of the Federal, State and Territory governments of Australia.

*Average NABERS building characteristics used for model: Office – 15000 m2 rated area, 50 hrs/week core hours; Shopping Centre – GLAR 46,707 m2, Centrally serviced area 17190 m2, 447 mechanically ventilated car parks, 1648 naturally ventilated car parks, 360 trading days/year, 60 hrs/week, multi storey, 3 cinemas, 474 m2 gym, 393 food court seats; Hotel – 4-star luxury rating, 265 rooms, 69 rooms with laundry service, 567 function room seats, 40 m2 heated pool; Apartment Building – 177 apartment units, 3 centrally serviced units, 57 condensed water serviced units, 170 lift serviced units, heated pool, gym, 70 naturally ventilated car parks, 113 mechanically ventilated car parks.