

# Media Release

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## Energy Efficiency Company Sanctioned over Improper Certificates

IPART has taken action against Australian company Versace LED Low Energy Pty Ltd (Versace) over improperly created Energy Savings Certificates.

Versace installs LED lights in households and businesses in New South Wales.

An audit of Versace required by IPART found that Versace used incorrect inputs when calculating energy savings, leading to the improper over-creation of Energy Savings Certificates.

"The modified inputs led to improper creation of certificates and meant that Versace claimed more certificates than they were entitled to", said Energy Savings Scheme (ESS) chair Sandra Gamble.

An IPART enforcement officer issued two penalty notices to Versace – a \$20,000 penalty notice for the improper creation of certificates and a \$2,500 penalty notice for contravention of the Energy Savings Scheme Rule.

The first penalty notice related to incorrectly classifying the building space type for a lighting upgrade. Versace conducted a lighting upgrade in an office space but claimed certificates for a manufacturing space. By improperly modifying the space type, Versace was able to create a greater number of certificates than they were entitled to for the project.

The second penalty notice related to modifying the Lamp Circuit Power (**LCP**) variable when calculating baseline consumption for a lighting upgrade. Versace improperly adjusted the LCP inputs to meet the co-payment requirements. Accredited Certificate Providers are required to enter accurate information into calculations and are not permitted to alter calculation inputs.

In addition, IPART also issued an order to surrender a number of certificates identified as being improperly created. This order was contested through the NSW Civil & Administrative Tribunal (NCAT). On 7 December 2021 NCAT ordered, with Versace's consent, that Versace must surrender 2200 Energy Savings Certificates.

The current market price of an Energy Savings Certificate is approximately \$36 meaning that the value of certificates to be surrendered is almost \$80,000.

IPART has also put a condition on Versace's accreditation requiring it to undertake independent audits prior to the creation of any Energy Savings Certificates.

It is essential businesses have good systems in place to correctly calculate certificates and to ensure that certificates are based on genuine energy savings in accordance with scheme rules.

"The basis of the Energy Saving Scheme is that certificates are created by genuine activities which are correctly calculated and substantiated by reliable evidence," said Ms Gamble.

When accredited certificate providers fail to meet their responsibilities, IPART may take regulatory action.

"Regulatory action can include imposing conditions, ordering the surrender of Energy Savings Certificates, issuing penalty notices or commencing prosecution," said Ms Gamble.

Further information about the Energy Savings Scheme is available on the ESS [website](#).

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