

The Power of Big Battery Storage: BESS Unlocking the Future of Renewable Energy for Business - Northmore Gordon

Canonical: <https://northmoregordon.com/articles/the-power-of-big-battery-storage-bess-unlocking-the-future-of-renewable-energy-for-business/>

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Sourcing Feasibility & Assessments: Renewables, PPAs or Certificates Compressed Air Services Air Compressor Leak Audits, Surveys and Benchmarking EEO Assessments (SG) Singapore Energy Efficiency Assessments Energy Procurement Navigate energy markets with confidence Virtual Environmental Manager Leverage our teams wide experience Certificates Close Certificates Open Certificates Certificates Our Environmental Attribute Certificate services help businesses accelerate technology adoption, improve project ROI, and manage claims of renewable energy, energy efficiency and carbon offset 1 carbon offset = 1 tonne of CO₂-e avoided or removed from the atmosphere. Avoided emissions covers activities that alter behaviour that would have otherwise caused emissions such as energy efficiency improvements or avoided deforestation. Removal covers activities that permanently remove CO₂ from the atmosphere such as new forestry plantations, soil carbon improvement or carbon capture and storage. certificates Live Certificate Prices The value of certificates change day-to-day, check today's prices Solar VEECs (VEU PBA) VEU PBA for Large-scale Solar Measurement & Verification (VEU & ESS) M&V; for Large C&I; Efficiency Projects (VEU PBA & ESS PIAM&V;) BESS Calculator Estimate the Peak Reduction Certificate revenue available to your NSW battery project in minutes ERF & Carbon Credit Registration ACCUs for Emission Reduction Projects Boiler Upgrades (VEU & ESS) NSW & VIC Boiler Rebates REC Registration (I-RECs & LGCs) Register renewable assets for I-RECs and LGCs Trade RECs & Carbon with us Trade Local & International Environmental Attribute Certificates moREnewable100 (RECs & Offsets) Reach Global Sustainability Goals with Certificates and Offsets Deemed Certificates (VEU & ESS) NSW & VIC Rebates Global Certificates Environmental Attribute Certificates Australian Programs Australian EAC Programs Case Studies Sectors Articles Team More Close More Open More Northmore Gordon Learn more about Northmore Gordon with the latest news and insights, were to find us, and the extensive terminology used in emissions reductions About Us Who we are & what we do in energy efficiency & decarbonization. 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Updated July 2026: New battery activities under the NSW Peak Demand Reduction Scheme will commence on 1 September 2026. BESS3 BESS3: battery systems for eligible apartment buildings will support eligible apartment battery projects, BESS4 BESS4: battery systems for eligible small and medium business sites will apply to eligible small and medium business installations, and BESS5 BESS5: larger battery systems for eligible commercial and industrial sites will support larger commercial and industrial battery projects. These activities may allow eligible projects to create Peak Reduction Certificates, helping improve the financial case for battery storage. The Rise of Battery Storage: A Global and Local Perspective Globally, battery storage has become a critical enabler of renewable energy. Countries like the United States, Germany, and China are investing heavily in large-scale batteries to stabilise their grids and reduce reliance on fossil fuels. Australia, with its abundance of solar and wind energy, is at the forefront of this revolution. Projects such as the Victorian Big Battery and Hornsdale Power Reserve in South Australia demonstrate the vast potential of energy storage in managing supply and demand fluctuations. The market for battery storage is booming. BloombergNEF forecasts that global energy storage installations will reach 1,095 gigawatt-hours by 2030, a twentyfold increase from 2021 levels. In Australia, the Clean Energy Council reports that investment in battery storage projects is accelerating, driven by decreasing costs, government incentives, and corporate sustainability commitments. The Australian Energy Market Operator (AEMO's) integrated system plan calls for a fivefold increase through to 2030. Given Bloomberg's forecast, it may well be much greater. Storage is critical to the energy transition and achieving high penetration of renewable energy. It's critical for the grid and is critical for business. Why Battery Energy Storage System (BESS) is Essential for Business For medium to large businesses, a Battery Energy

Storage System (BESS) is not just about sustainability—it's about resilience and efficiency. Here's how it fits into a broader renewable energy strategy:

- Energy Cost Savings :** Businesses can store excess solar energy during the day and use it during peak hours when electricity prices are higher, reducing grid reliance and energy bills.
- Demand Charge Reduction :** Many businesses pay significant demand charges. Batteries can help smooth out peaks in energy use, minimising these costly surges.
- Backup Power and Reliability :** Batteries provide a safeguard against power outages, ensuring operations continue uninterrupted.
- Sustainability and Carbon Goals :** Integrating battery storage helps businesses meet corporate sustainability targets and regulatory requirements for emissions reductions.
- Private and Government Incentives** Energy Retailers and the Australian government is backing battery storage through various initiatives, making it an even more attractive investment for businesses.
- Virtual Power Plants (VPP) :** Battery Energy Storage Systems (BESS) can participate in VPP by aggregating their energy storage, providing frequency control and voltage support, and enabling arbitrage trading, ultimately maximizing the value of their storage capacity and contributing to grid stability and flexibility.
- The Capacity Investment Scheme (CIS) :** This federal scheme encourages private investment in clean energy and storage solutions.
- State-Based Incentives :** Programs like the NSW Empowering Homes initiative and the Victorian Solar Battery Rebate offer financial support for battery installations.
- ARENA and CEFC Funding :** The Australian Renewable Energy Agency (ARENA) and Clean Energy Finance Corporation (CEFC) provide funding and financing options for battery projects.
- NSW PDRS Battery Incentives: BESS3, BESS4 and BESS5** From 1 September 2026, the NSW Peak Demand Reduction Scheme will introduce three new battery activities known as BESS3, BESS4 and BESS5. These activities are designed to support battery installations across apartment buildings, small and medium businesses, and larger commercial and industrial facilities. Eligible projects may create Peak Reduction Certificates, or PRCs. PRCs are tradeable certificates that recognise electricity demand shifted away from peak periods. Their value can help reduce the effective cost of installing a battery energy storage system.

What is the difference between BESS3, BESS4 and BESS5?

Activity	Eligible project type	Battery capacity	Eligible sites	Capacity range
BESS3	Eligible apartment buildings	More than 20 kWh and up to 200 kWh usable capacity		
BESS4	Eligible small and medium business sites	More than 20 kWh and up to 200 kWh usable capacity		
BESS5	Eligible commercial and industrial sites	More than 200 kWh and up to 30,000 kWh usable capacity		

Under the current rules, BESS5 incentives apply only to the first 10,000 kWh of eligible battery capacity. Residential buildings and data centres are excluded from BESS4 and BESS5.

Environmental Certificates and Financial Offsets Businesses investing in battery storage can also benefit from environmental certificate schemes that provide additional financial incentives:

- Large-Scale Generation Certificates (LGCs) :** If paired with renewable generation, businesses may be eligible for LGCs under the Renewable Energy Target scheme, which can be sold to offset installation costs.
- NSW Peak Reduction Certificates (PRCs) & Victorian Energy Efficiency Certificates (VEECs) :** These state-based schemes reward businesses for energy efficiency initiatives, including battery storage in certain cases.

State Grant Programs: Some states and energy providers offer incentives for businesses that use battery storage to participate in demand response programs, providing payments for reducing grid demand during peak periods.

Costs and Financial Offsets While battery storage systems require a significant upfront investment, these costs can be mitigated through:

- Government Grants and Rebates :** Programs at both federal and state levels provide direct funding to offset capital expenditure.
- Certificate Trading :** Selling LGCs, PRCs, or VEECs can provide an ongoing revenue stream to help recover investment costs.
- Operational Savings :** Lower electricity bills, reduced demand charges, and participation in Virtual Power Plants (VPPs) can enhance financial returns over time.

How Northmore Gordon Can Help with BESS3, BESS4 and BESS5 At Northmore Gordon, we take a strategic approach to energy storage. We help businesses navigate the complexities of battery selection, integration, and financial modelling to ensure maximum return on investment. Our services include:

- Feasibility Assessments :** Analysing the economic and technical viability of battery storage for your business.
- Energy Strategy Development :** Creating tailored plans that integrate batteries with on-site renewables and demand management.
- Incentive and Funding Assistance :** Identifying and applying for available government grants, environmental certificates, and financing options.
- Implementation and Monitoring :** Ensuring seamless installation and ongoing performance optimisation.

Northmore Gordon helps installers, equipment suppliers, project developers and asset owners assess and capture the financial

value available from battery projects. Our support can include: Determining whether a project may qualify under BESS3, BESS4 or BESS5 Estimating potential Peak Reduction Certificate revenue Reviewing battery, inverter and solar specifications Identifying technical and evidence requirements Supporting project registration and documentation Managing PRC creation and certificate compliance Integrating battery storage into a broader energy strategy Assessing battery feasibility, cost savings and expected return on investment Engaging Northmore Gordon early helps ensure that certificate requirements are considered before equipment is selected and installation begins. Risks and Considerations While battery storage offers numerous benefits, businesses should be aware of potential risks: Upfront Costs : Although prices are falling, battery storage still requires significant initial investment. Technology Maturity : While lithium-ion batteries dominate the market, emerging technologies like flow batteries and solid-state batteries may offer long-term advantages. Regulatory and Market Changes : Electricity market rules and incentives are evolving, and businesses must stay informed to maximise their investment. Looking Ahead: The Future of Battery Storage Battery storage is rapidly evolving, with innovations in efficiency, capacity, and lifespan making it an increasingly viable solution for businesses. As grid-scale storage expands and new business models such as Virtual Power Plants (VPPs) gain traction, companies that invest early in battery storage will be well-positioned for the future energy landscape. At Northmore Gordon, we are committed to helping our clients harness the power of battery storage. If you're considering how energy storage can benefit your business, our team is ready to guide you through the process. Let's shape a smarter, cleaner energy future together. For expert advice on battery storage and renewable energy strategies, contact Northmore Gordon today . Click the link to try our Battery Energy Storage System (BESS) Calculator . Disclaimer: The information in this article is general only and has been prepared without considering your business' particular circumstances and needs. You should assess or seek advice from Northmore Gordon Environmental (AFSL 533927) on whether it is appropriate for your business's objectives. Energy Efficiency , Northmore Gordon , Renewable Energy You may also like: Welcome to our August & September 2026 Compliance Update. Australian Certificate Markets – August 2026 Update Where's the value in renewable heat? Latest Updates ASRS Group 3: are you in scope and don't know it? September 18, 2026 Correct as at 13 September 2026. 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