# ESS Rebates Support Energy-efficient Hot Water Heater Upgrades

The New South Wales government is dedicated to sustainability and energy efficiency. It continues to promote the [Heat Pump Hot Water Rebate](https://www.efficientenergygroup.com.au/hot-water-systems/) initiative, an important component of the Energy Savings Scheme. The innovative program is designed to accelerate energy-efficient technology adoptions across NSW.

Heat pump technology is slowly overtaking more traditional water heating methods as the solution of choice.

Heat pump systems are highly efficient, using ambient heat to generate hot water, so they significantly reduce both energy usage and costs.

The units also lower greenhouse gas emissions, contributing to environmental sustainability. In fact, heat pump hot water heaters use about [one-third of the energy](https://www.heatpumpworld.com.au/hot-water-heat-pump-faqs/#:~:text=They%20use%20electricity%20to%20operate,conventional%20electric%20hot%20water%20system.) consumed by conventional hot water heaters.

The NSW government recognizes this potential to promote environmentally-friendly consumption. As a result, the ESS specifically supports the installation of heat pump hot water systems with significant rebates.

The rebate program directly reduces the upfront costs of greener alternatives. Specifically, consumers can save up to $1,200 on their heat pump hot water heater.

NSW households and businesses interested in the Heat Pump Hot Water Rebate enjoy a variety of benefits, including:

* **Cost Efficiency -** By adopting heat pump technology for their hot water systems, you can enjoy lower operating costs and reduced energy bills. The rebate covers a substantial portion of the installation cost, so it’s financially feasible for much of the NSW community.
* **Energy Reduction -** Heat pumps are known for their ability to drastically decrease energy consumption. These reductions align with ESS goals to cut energy usage and extend the life of existing energy infrastructures.
* **Environmental Impact -**  When you transition to heat pump technology, you contribute to reduced carbon emissions. Heat pump adoptions support statewide and national environmental targets for combating climate change.

The ESS was launched in 2009 as part of New South Wales’ effort to enhance energy efficiency and reduce greenhouse gas emissions. The program incentivizes the purchase and installation of innovative technologies that lower energy usage.

Thus far, the ESS initiative has successfully reduced both energy consumption and costs. By the end of 2022, it was responsible for a [decrease of 23 megatonnes](https://www.energy.nsw.gov.au/nsw-plans-and-progress/regulation-and-policy/energy-security-safeguard/energy-savings-scheme#:~:text=As%20of%20December%202022%2C%20the,deliver%20cost%20effective%20energy%20savings.) of greenhouse gas emissions.

By 2030, the [energy savings target](https://www.energy.nsw.gov.au/nsw-plans-and-progress/regulation-and-policy/energy-security-safeguard/energy-savings-scheme) will increase to 13%. By increasing the target, NSW hopes to reduce 70% of emissions by 2035, while achieving net zero by 2050.

Part of the ESS, the NSW Heat Pump Hot Water Rebate provides rebates for eligible NSW households and businesses that have an existing electric or gas hot water heater.

The Heat Pump Hot Water Rebate is available to all residents of New South Wales who replace their old electric or gas hot water systems with newer, qualified heat pump models.

The financial incentives come in the form of tradable certificates known as energy savings certificates. They provide a quantifiable and verifiable record of reductions in energy consumption or greenhouse gas emissions.

Each ESC symbolizes saving one tonne of carbon dioxide-equivalent emissions through reduced energy use.

Once issued, ESCs can be sold and bought on a special market. There, electricity suppliers and other entities purchase the certificates, which supports their obligations to meet government-mandated targets..

ESC trading therefore provides a financial incentive to companies and individuals to invest in energy efficiency improvements.

While NSW households and businesses are eligible for the Heat Pump Hot Water Rebate when they upgrade from an existing system, they still must meet certain criteria.

Eligible participants in the scheme must use [approved products](https://tessa.energysustainabilityschemes.nsw.gov.au/ipart?id=accepted_products) and adhere to the installation guidelines set by the ESS. Included products meet specific energy efficiency standards and performance benchmarks.

Not only must products come from a pre-approved list, but installations must be conducted by a licensed plumber or technician certified in handling refrigerants. Both the installation and the product must comply with all relevant Australian standards and the National Construction Code.

## Now Is the Time to Upgrade to Heat Pump Hot Water Systems

NSW residents should consider the long-term benefits of switching to a heat pump hot water system. With the substantial rebates offered, there has never been a better time to explore the option.

If you’re interested in upgrading to a heat pump hot water heater, we urge you to contact approved providers for more information and to [assess eligibility](https://www.efficientenergygroup.com.au/check-your-eligibility/).

With rising electricity prices, investing in a heat pump system can quickly pay off, helping both users and the environment for years to come.