



SOLAR CREDITS – FREQUENTLY ASKED QUESTIONS

The Solar Credits Fact Sheet on the Department of Climate Change website www.climatechange.gov.au provides further information on Solar Credits.

Detailed information on eligibility and processes for accessing Solar Credits is available on the website of the Office of the Renewable Energy Regulator, who administers Solar Credits, at www.orer.gov.au.

What are Solar Credits?

- The Australian Government is supporting the deployment of renewable energy in Australia's electricity supply through the Renewable Energy Target (RET) scheme. The RET guarantees a market for additional renewable energy generation, using a mechanism of tradeable Renewable Energy Certificates known as RECs (backed by a legislative obligation).
- Solar Credits is a mechanism within the RET scheme that boosts support to households, businesses and community groups that install small-scale solar PV, wind and hydro electricity systems by multiplying the number of RECs able to be created for eligible installations.

I'm planning on getting a solar PV system installed on my home. How do I get Solar Credits?

- Solar Credits are provided in the form of additional tradeable Renewable Energy Certificates or 'RECs' for eligible small-scale solar PV, wind and hydro electricity systems installed or after 9 June 2009.
- While system owners can create and sell the RECs themselves, in practice, providers of solar PV systems usually offer a discount on the price of a solar PV system, or a cash payment, in return for the Solar Credits. Households considering installing solar PV systems are encouraged to shop around for the best deal on their solar PV system.

How much benefit can I expect to get from Solar Credits for installing a solar PV system?

- Solar Credits are provided in the form of Renewable Energy Certificates, or 'RECs', for people who have installed a new solar PV system from 9 June 2009. Solar Credits apply to the first 1.5 kilowatts (kW) of capacity of the system installed.

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- The level of support provided by Solar Credits depends on the price of RECs (which may vary over time) and the location and size of the system. For example, based on a \$50 REC price in 2009:
 - a solar PV system in Sydney, Perth, Adelaide, Brisbane and Canberra will receive:
 - \$5,150 for a 1 kW system; and
 - \$7,750 for a 1.5 kW system.
 - a solar PV system installed in Melbourne or Hobart will receive fewer RECs as these areas have less sunshine so less renewable energy is produced, but will receive:
 - \$4,400 for a 1 kW system; and
 - \$6,650 for a 1.5 kW system.

Why do Solar Credits vary across the country?

- The number of Solar Credits created for a system will depend on the amount of renewable energy the system generates.
 - A solar PV system in Sydney, Perth, Adelaide, Brisbane and Canberra will create the same number of RECs and receive the same amount of support.
 - The same sized system installed in Melbourne or Hobart will receive fewer RECs as these areas have less sunshine so less renewable energy is produced.

What if I want to apply for Solar Credits myself?

- Generally when installing solar PV systems, owners transfer the right to create RECs to their solar panel installer in return for a discount on the price of the system being installed.
- Owners of solar PV systems installed from 9 June 2009 can access Solar Credits themselves, rather than transferring their Solar Credits to their installer in return for a discount off the price of the system. Owners can do this (generally through an agent) by applying to the Office of the Renewable Energy Regulator (ORER) any time within 12 months following the date of installation.
 - Further information on accessing Solar Credits directly is available from ORER www.orer.gov.au

How do I find out whether my system is eligible for Solar Credits?

- The eligibility rules are prescribed in the RET scheme regulations, administered by the Office of the Renewable Energy Regulator (ORER).
- Key rules are summarised below. Details of the rules are available on the ORER website at www.orer.gov.au.
 - The system must be an eligible 'small generation unit'; being a solar PV system of up to 100 kilowatts (kW) capacity; a small wind turbine of up to 10kW capacity or a micro-hydro system of up to 6.4 kW capacity.
 - The system must be installed at an eligible premises. Examples include houses, townhouses, residential apartments and shops.
 - The system must be a new and complete unit.
 - There is to be no 'double-dipping' in relation to the Solar Homes and Communities Plan, the Renewable Remote Power Generation Program (RRPGP), or the National Solar Schools Program (NSSP). That is, a premises receiving a grant or rebate under any of these programs is not entitled to Solar Credits.
 - No more than one system at an eligible premises (address) is entitled to Solar Credits.
 - Solar Credits may only be created once for a particular installation, irrespective of whether the certificates are created for a 1-year, 5-year or 15-year deeming period.
 - The system must have been installed no more than 12 months prior to the date of application for Solar Credits.