



Small Generation Units Owner's Guide

Renewable Energy Target (RET) process for owners of small generation units (SGUs) such as solar photovoltaics (PV), small wind and hydroelectric systems

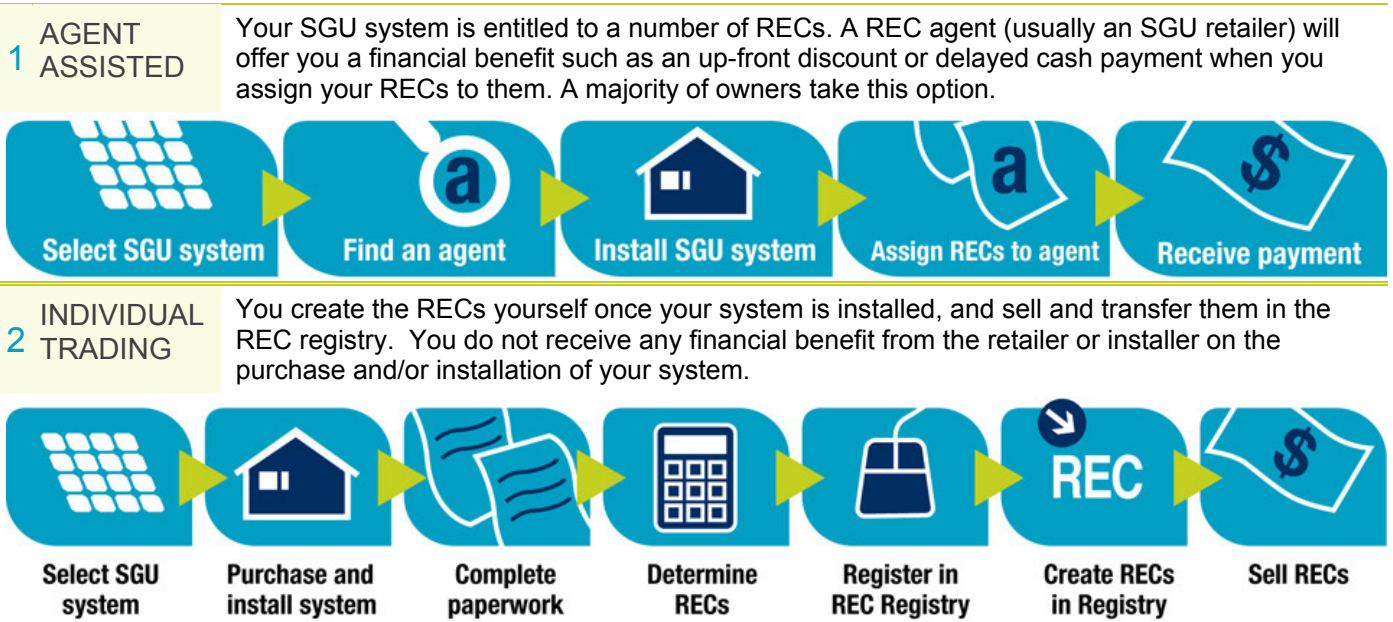
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OVERVIEW

The purchase of a Small Generation Unit (SGU) may entitle you to renewable energy certificates (RECs) if your SGU is eligible. These certificates can then be sold and transferred to liable parties (usually electricity retailers) using a market based online system called the REC Registry.

How to receive reimbursement for your RECs



The Renewable Energy Target (RET) scheme does not provide a rebate or feed-in tariff and is not a rebate-based scheme. For information about Federal Government SGU rebates, contact the Energy Efficiency, Solar and Water Initiative on 1800 808 571. For information about feed-in tariffs, contact your State Government or agent, retailer or installer.





What is an SGU?

A small generation unit (SGU) is classified as a small-scale solar photovoltaic (PV) panel, wind or hydro unit. Small generation units generate electricity and have the following requirements:

Unit type	Unit capacity and annual electricity output	Installation periods
Solar PV units	No more than 100 kW and a total annual electricity output less than 250 MWh	On or after 14 November 2005
Solar PV units	No more than 10 kW and a total annual electricity output less than 25 MWh	Between 1 April 2001 and 13 November 2005
Small wind turbines	No more than 10 kW and a total annual electricity output less than 25 MWh	On or after 1 April 2001
Hydroelectric units	No more than 6.4 kW and a total annual electricity output less than 25 MWh	On or after 1 April 2001

Anything that generates more power than listed above is classified as a “power station” (see below) and is treated differently for the purposes of REC creation.

Small Generation Unit RECs defined

One SGU renewable energy certificate (REC) is equivalent to one MWh (megawatt hour) of renewable electricity that the system generates over a given period (called a deeming period). The maximum deeming period for an SGU is 15 years as this is its expected life span.

RECs are created by an *eligible* party (usually a REC agent) once such a system is installed, and sold to *liable* parties (usually electricity retailers) to meet their liability under the RET. A REC is a commodity in the REC market, and is bought and sold via the REC Registry for a negotiated price. Payment for RECs is arranged outside the REC Registry.

RECs are surrendered annually by liable parties to demonstrate liability compliance against the requirements of the RET or voluntarily surrendered. For more information about the RET see the [RET overview](http://www.orer.gov.au/publications/ret-overview.html) at <http://www.orer.gov.au/publications/ret-overview.html>.

REC prices

In the past decade the spot price of a REC has varied between AUD\$15 and AUD\$60. This information is based on third party data provided to ORER.

The Office of the Renewable Energy Regulator (ORER) does not set the price of RECs nor does it get involved in disputes between buyers and sellers. Payment for RECs or the rights to create RECs is a contractual matter between the buyer and seller.





Installation advice and procedures

- You must be the owner of the system at the time it is installed to be entitled to assign or create RECs.
- In some circumstances where the SGUs are installed in new buildings, the owner can be the builder or property developer.
- Units must be installed and all documentation supplied before RECs can be created and registered.
- **Clean Energy Council (CEC) accreditation is required for the following installation periods:**

Unit type	Date of installation	CEC accreditation required
Solar PV units	Before 20 August 2010	Yes , for 15 year deeming period No , for 1 and 5 year deeming period
Solar PV units	On or after 20 August 2010	Yes , for all deeming periods
Wind and hydro units	Before 20 December 2010	Not required
Wind and hydro units	On or after 20 December 2010	Yes , for all deeming periods

- CEC accredited installers are required to:
 - Ensure that the installation has all applicable local and state/territory Government approval requirements
 - Ensure that the SGU and its installation, including wiring, meets relevant Australian and International Standards, and that key components are listed on the Clean Energy Council's list of approved products.
 - Ensure that the mounting and orientation of the SGU are in line with the Clean Energy Council accreditation requirements.
 - Supply all relevant documentation to certify correct installation of the SGU.
- For more information, see the [Clean Energy Council Accreditation](http://www.cleanenergycouncil.org.au/cec/accreditation/Solar-PV-accreditation.html) page at <http://www.cleanenergycouncil.org.au/cec/accreditation/Solar-PV-accreditation.html>.





HOW TO RECEIVE REIMBURSEMENT FOR YOUR RECS

Option 1 – Agent assisted


In exchange for financial benefit to you, a registered agent will take ownership of the RECs for which your system is eligible. This means you do not have to register and manage the RECs yourself, which simplifies the process. Most retailers and some installers of SGUs will be registered to act as REC agents. A list of registered agents is available on the [ORER website](http://www.orer.gov.au/publications/agents.html) at <http://www.orer.gov.au/publications/agents.html>.

Agents list different prices and payment processes for RECs. After buying the RECs from you the agent will register your RECs and usually bundle them with other SGU and SWH RECs for sale and transfer in the REC Registry.

<p>1 Research your system</p>	<ol style="list-style-type: none"> 1. Determine the system/s that meet your needs. For advice on purchasing and installing an SGU, visit: <ul style="list-style-type: none"> o Department of Climate Change and Energy Efficiency quick guide to installing photovoltaic panels (http://www.climatechange.gov.au/en/government/initiatives/~media/publications/renewable-energy/solar-pv-factsheet.ashx) o Living Greener (http://www.livinggreener.gov.au/be-informed/saving-energy/renewable-energy) o Your Home (http://www.yourhome.gov.au/technical/fs66.html). 2. Get an <i>approximate</i> idea of the financial benefit you should receive for your system as follows: <ol style="list-style-type: none"> a. Go to the SGU REC Calculator at https://www.rec-registry.gov.au/sguCalculatorInit.shtm and select your system. This will display the number of RECs for which your system is eligible. b. Search for REC traders on the Web to find the going price of a REC. c. Multiply the number of RECs in a by the price in b. 3. Note that your agent will calculate your RECs more precisely; the above will just give you an approximation of the discount or REC price you'll get for the system you choose. <p>The number of RECs an SGU is entitled to is calculated by determining the amount of electricity the SGU produces over a determined period (called a <i>deeming</i> period). Units are usually deemed for the maximum period of 15 years to receive the maximum amount of RECs up-front.</p>
<p><i>Additional RECs: Solar Credits</i></p>	<ul style="list-style-type: none"> • If your unit is installed on or after 9 June 2009 it may be eligible for additional RECs under Solar Credits. • Your agent will determine the eligibility of your unit and will factor this multiplication into your REC calculation and resulting financial benefit. • If you wish to understand the eligibility criteria for Solar Credits see the "Solar Credits" section below.







<p><i>Additional RECs: adding capacity</i></p>	<ul style="list-style-type: none">• If you wish to install additional capacity to an existing unit the extra capacity may be entitled to additional RECs, as long as the additional capacity does not qualify it as a “power station”.• You can determine if your system is an SGU or power station in Section 2 “Determine if your system is an SGU or power station” below.• Additional capacity is not entitled to the REC multiplier through Solar Credits (above).• To determine the number of RECs generated by the additional capacity, insert the rated power output (in kW) for the <i>additional</i> capacity (not the complete expanded unit’s capacity) and multiplier of one (1) into the Small Generation Unit REC Calculator at https://www.rec-registry.gov.au/sguCalculatorInit.shtml.• Note the number of RECs <i>without</i> Solar Credits in your results.
<p>2 Find an agent</p>	<ol style="list-style-type: none">1. Shop around: ORER recommends contacting a range of REC agents (usually SGU retailers) and get an idea of the range of financial incentives available. Visit the list of registered agents at http://www.orer.gov.au/publications/agents.html.2. Ensure the retailer you choose can also operate as your REC agent.3. Make sure your agent will:<ul style="list-style-type: none">• Determine whether your SGU is eligible for RECs under the RET;• Determine how many RECs you are entitled to under the RET; <i>and</i>• Offer a financial benefit to you. This may be in the form of a delayed cash payment or up-front discount on your SGU price.4. Ensure you are satisfied with the financial benefit, and the date and method of payment the agent is offering for your system’s RECs.
<p>3 Get the system installed</p>	<p> Do not sign over your RECs until the system is completely installed!</p> <ul style="list-style-type: none">• Ensure your installer is accredited by the Clean Energy Council if required.• Follow the information in “Installation advice and procedures” above.• “Completely installed” means:<ul style="list-style-type: none">○ all parts of the SGU are installed and demonstrated to be capable of generating power. This includes panels/turbines, inverter, batteries for off-grid systems, etc.○ All compliance documentation has been signed (see Step 4: “Request completed installation documents” below).• If you have signed a REC Assignment Form but your system is not yet installed and signed off, please contact the ORER compliance section on compliance@orer.gov.au





<p>4 Request completed installation documents</p>	<p>ORER recommends requesting signed and dated copies of all relevant documentation when your unit is installed. This could include:</p> <ul style="list-style-type: none">• A copy of the installer's certification issued by a suitable authority• Any additional documentation required by your State regulatory authority to certify installation (for eg: Certificate of Compliance, Installation Report) <p>If you are installing a solar photovoltaic panel on or after 20 August 2010 or installing a small-scale wind or hydro unit on or after 20 December 2010 your installer:</p> <ul style="list-style-type: none">• May ask you to sign a statement that all required Local (Council) and State/territory Government requirements for installation of a power-generating structure have been met.• Is required to provide you with a copy of any documentation certifying that the <i>electrical</i> installation of the unit complies with laws relating to safety and technical standards. This could be in the form of a Certificate of Compliance, Installation Report and Electrician's Licence.• For further information regarding relevant installation certification please contact your relevant State or Statutory Authority.
<p>5 Assign the RECs</p>	<ul style="list-style-type: none">• Complete the REC Assignment Form provided to you by your agent. This will assign the RECs on your purchased system to the agent.• You will not be able to assign those RECs to any other agent, or trade in them yourself, once the form is signed.• After buying the RECs from you the agent will register your RECs and usually bundle them with other small generation unit and solar water heater RECs for sale and transfer in the REC Registry.• Ensure you keep a copy of the completed REC Assignment Form for your own records.
<p>6 Receive payment</p>	<ul style="list-style-type: none">• Ensure you receive the financial benefit in assigning your RECs – either by a discount on your unit purchase/installation, or by cash payment to you.• If you experience a delay in receiving payment for your RECs please contact the agent you have agreed to sell them to. <p> If you need to discuss your RECs payment, you must contact your agent in the first instance.</p> <p> ORER does not set the price of RECs nor does it get involved in disputes between buyers and sellers. Payment for RECs or the rights to create RECs is a contractual matter between the buyer and seller.</p>





Option 2 – Individual trading

Under this process you are responsible for determining system eligibility, REC entitlement, and creating and trading your RECs in the REC Registry. This includes finding a buyer for the RECs. A majority of buyers are liable entities (commonly electricity retailers) who only trade in large numbers of RECs, not the small quantities generated by the typical SGU.

As Individual Trading requires complex processing and compliance requirements it is generally easier for householders to assign their RECs to an agent as per “[Option 1 – Agent Assisted](#)”.

You can also use this option to claim RECs on an SGU installed in the last 12 months where the RECs were not signed over to the installer/agent.

<p>1 Research your system</p>	<p>Determine the system/s that meet your needs. For advice on purchasing and installing an SGU, visit:</p> <ul style="list-style-type: none"> Department of Climate Change and Energy Efficiency quick guide to installing photovoltaic panels http://www.climatechange.gov.au/en/government/initiatives/~media/publications/renewable-energy/solar-pv-factsheet.ashx Living Greener (http://www.livinggreener.gov.au/be-informed/saving-energy/renewable-energy) Your Home (http://www.yourhome.gov.au/technical/fs66.html). <p>Installations of SGUs are eligible for RECs based on rated power output (kilowatt capacity), eligibility for Solar Credits and geographic location or resource availability.</p> <p>The number of RECs an SGU is entitled to is calculated by determining the amount of electricity the SGU produces over a determined period (called a deeming period – see below). Units are usually deemed for the maximum period to receive the maximum amount of RECs up-front.</p>															
<p>2 Determine if your system is an SGU or a power station</p>	<p>If the kW rating or MWh generation for an SGU is above the thresholds listed below, or if the unit was installed prior to 1 April 2001, it is <i>not</i> eligible to have RECs created for it as an SGU. However, it may be eligible for accreditation as a renewable energy power station.</p> <ul style="list-style-type: none"> Compare your unit’s kW capacity against the following criteria to determine if it is an SGU or a power station: <table border="1" data-bbox="327 1518 1476 1818"> <thead> <tr> <th>Unit type</th> <th>Unit capacity and annual electricity output</th> <th>Installation periods</th> </tr> </thead> <tbody> <tr> <td>Solar PV units</td> <td>No more than 100 kW and a total annual electricity output less than 250 MWh</td> <td>On or after 14 November 2005</td> </tr> <tr> <td>Solar PV units</td> <td>No more than 10 kW and a total annual electricity output less than 25 MWh</td> <td>Between 1 April 2001 and 13 November 2005</td> </tr> <tr> <td>Small wind turbines</td> <td>No more than 10 kW and a total annual electricity output less than 25 MWh</td> <td>On or after 1 April 2001</td> </tr> <tr> <td>Hydroelectric units</td> <td>No more than 6.4 kW and a total annual electricity output less than 25 MWh</td> <td>On or after 1 April 2001</td> </tr> </tbody> </table> <ul style="list-style-type: none"> If a small solar PV, wind or hydro unit has capacity of <i>less</i> than the prescribed threshold for an SGU, RECs may be created under the legislation as if the unit were an SGU. Any subsequent installation of additional capacity with the effect that the total capacity of the unit exceeds the prescribed threshold of capacity for an SGU will mean the unit is no longer 	Unit type	Unit capacity and annual electricity output	Installation periods	Solar PV units	No more than 100 kW and a total annual electricity output less than 250 MWh	On or after 14 November 2005	Solar PV units	No more than 10 kW and a total annual electricity output less than 25 MWh	Between 1 April 2001 and 13 November 2005	Small wind turbines	No more than 10 kW and a total annual electricity output less than 25 MWh	On or after 1 April 2001	Hydroelectric units	No more than 6.4 kW and a total annual electricity output less than 25 MWh	On or after 1 April 2001
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an SGU. The operator of the unit may apply for accreditation of the unit as a power station and if the unit satisfies the requirements for accreditation then the Regulator will accredit it.

- Information on the power station accreditation process is available on the [power stations page](#) of the ORER website (<http://www.orer.gov.au/generators/index.html>).
- RECs may *not* be created for electricity generated by that part of the power station that was the 'small generation unit' as originally installed, and for which RECs were originally created.
- The nominated person for the power station will need to determine what proportion of electricity generated by the whole power station was generated by the 'old' small generation unit and deduct that electricity from the total electricity generated by the power station. The nominated person will then only be able to create RECs for that portion of electricity generated by the 'extended' part of the power station.

Time limits for the creation of RECs for SGUs may apply depending on their installation date and SGU type. If the installation date and REC creation time limit for your SGU falls outside of the following thresholds your unit is not eligible to create RECs.

3 Check if your SGU installation is within the time limit for creating RECs

SGU installation date	Deeming period	SGU type	REC creation time limit
On or before 6 October 2007	1 or 5 years	Wind, solar (photovoltaic), hydro	Any time after installation
On or after 6 October 2007	First deeming period (1 or 5 years)	Wind, hydro	Within 12 months of the installation date
On or after 6 October 2007	First deeming period (1, 5 or 15 years)	Solar (photovoltaic)	Within 12 months of the installation date

If your SGU meets the eligibility requirements you can establish the deeming period for your SGU.

4 Establish deeming period

RECs may be created for SGUs in batches, for 1, 5 or 15 year deeming periods, depending on the particular installation. **A majority of owners choose to opt for the maximum deeming period to claim the maximum number of RECs.**

RECs may be created for **solar (photovoltaic)** SGUs either:


- annually; or
- on installation for the first 5 years after installation (the deeming period) and then at the start of each subsequent 5 year deeming period; or
- on installation for 15 years (the deeming period), after which no further RECs may be created. RECs may be created for **wind** and **hydro** SGUs either:
 - annually; or
 - on installation for the first 5 years after the installation (the deeming period) and then at the start of each subsequent 5 year deeming period.

5 Determine Solar Credits eligibility

- If your unit is installed on or after **9 June 2009** it may be eligible for additional RECs under Solar Credits.
- See "[Solar Credits](#)" section below for more detail.





<p>6 Calculate RECs</p>	<ul style="list-style-type: none"> Go to the Small Generation Unit REC Calculator at https://www.rec-registry.gov.au/sguCalculatorInit.shtml for a quick approximation of the RECs your system could receive. Use the detailed calculations in the REC Calculations publication at http://www.orer.gov.au/publications/sgu-rec-calculations.html to precisely calculate the number of RECs for your system.
<p>7 Purchase and install system</p>	<p>You must ensure that your supplier and installers are aware you will not be assigning the SGU RECs to them, and ensure any quotes for supply and installation take this into account.</p> <p> RECs cannot be created twice for the same system.</p> <ul style="list-style-type: none"> Ensure your installer is accredited by the Clean Energy Council if required (see Clean Energy Council Accreditation page at http://www.cleanenergycouncil.org.au/cec/accreditation/Solar-PV-accreditation.html for more information). Follow the information in "Installation advice and procedures". Do not create RECs until: <ul style="list-style-type: none"> all parts of the SGU are installed and demonstrated to be capable of generating power. This includes panels/turbines, inverter, batteries for off-grid systems, etc. All compliance documentation has been signed (see Step 8: "Request completed installation documents" below).
<p>8 Request completed installation documents</p>	<p>SGUs installed on or after the below dates require additional compliance documentation before you can create RECs in the REC Registry.</p> <ul style="list-style-type: none"> PV Solar installations on or after 20 August 2010 Hydro and wind installations on or after 20 December 2010 <p>The additional compliance documentation is as follows:</p> <ul style="list-style-type: none"> Installer's electrician's licence. The electrical wiring associated with grid-connected installation of the unit must be undertaken by an electrical worker holding an unrestricted licence for electrical work issued by the State or Territory authority for the place where the unit was installed. Site and grid connected written statement. Either the installer or the owner must sign a statement that all required local and state/territory approvals have been met for: <ul style="list-style-type: none"> The siting of the unit; The attachment of the unit to the building or structure (if the unit is attached); The grid connection of the system (if it is grid connected). Unit design and installation statement. A signed and written statement that includes the name of the designer and the installer of the unit, and their CEC classification and accreditation number. Electrical compliance documentation for the relevant jurisdiction. Obtain from the installer a copy of any documentation required, by the laws of the jurisdiction in which the unit was installed, certifying that the electrical installation of the unit complies with laws relating to safety and technical standards. This could be in the form of a Certificate of Compliance, Installation Report and Electrician's Licence. Off-grid electrical compliance documentation. A written statement is required from the





	<p>installer of an off-grid installation if the wiring for the unit involves an alternating current of 50 or more volts and/or a direct current of 120 or more volts. The statement must confirm:</p> <ul style="list-style-type: none"> ○ The unit is off grid; <i>and</i> ○ An electrical worker holding an unrestricted licence for electrical work issued by the State or Territory Authority for the place where the unit was installed undertook all wiring of the unit that involves: <ul style="list-style-type: none"> ▪ alternating current of 50 or more volts; or ▪ direct current of 120 or more volts. <p>For examples of written statements see “Example written compliance statements for SGU installations” at http://www.orer.gov.au/publications/written-statement.html.</p> <p>Ensure that you keep these documents on-file.</p> <p>ORER conducts auditing and compliance activities which will include sighting any paperwork required. Failure to comply with the regulations can result in penalties and prosecution where warranted. (More information on compliance is on the ORER website at http://www.orer.gov.au/compliance/index.html).</p>		
<p>9 Become a registered person in the online REC Registry</p>	<p>Once you have calculated your system’s RECs, had it installed, and received all required documentation, you will need to become a registered person in the REC Registry. This is an internet based registry system that:</p> <ul style="list-style-type: none"> • Maintains various registers (as set in the Act) • Facilitates the creation, registration, transfer and surrender of RECs. <p>A registered person can create, sell and transfer RECs in the REC Registry. You can register as follows:</p> <ol style="list-style-type: none"> 1. Create an account in the REC Registry at https://www.rec-registry.gov.au/ 2. Complete an Application for Registration at http://www.orer.gov.au/forms/registration.html and send it to ORER. 3. ORER will notify you via phone when your “Application for Registration” has been approved and explain the REC Registry process. 4. Pay a \$20 registration fee to complete the registration process. <ul style="list-style-type: none"> • Please DO NOT send any payment to the ORER with the form. • Payment of the \$20 registration fee is made via your account in the REC Registry. • The application fee is GST exempt. 		
<p>10 Create RECs through the REC Registry</p>	<p>Once your application has been approved, you are ready to complete the registration process online and create RECs for your SGU installation. Go to the REC Registry at https://www.rec-registry.gov.au/ to complete the process.</p> <p>The main details required to create RECs include the following:</p> <table border="0"> <tr> <td> <ul style="list-style-type: none"> • Type of unit – solar, wind, hydro • Unit brand • Unit model • Panel serial numbers (solar only) • Number of panels (solar only) • Equipment module serial number (wind) </td> <td> <ul style="list-style-type: none"> • Resource availability (wind and hydro only) • Rated power output (in kW) • Installation date • Installation address • Installer’s details </td> </tr> </table>	<ul style="list-style-type: none"> • Type of unit – solar, wind, hydro • Unit brand • Unit model • Panel serial numbers (solar only) • Number of panels (solar only) • Equipment module serial number (wind) 	<ul style="list-style-type: none"> • Resource availability (wind and hydro only) • Rated power output (in kW) • Installation date • Installation address • Installer’s details
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	<p>and hydro only)</p> <ul style="list-style-type: none"> • Owner's details <p>The REC registry contains online help screens and a Support Desk to assist in the use of the Registry.</p>
<p>11 Wait while your RECs are validated</p>	<ul style="list-style-type: none"> • Once you have created your RECs, they will be validated by an ORER officer to ensure they have been created correctly. This may take up to 4 weeks. • When your RECs have passed the ORER validation, they will become 'Registered'. • Registered RECs are able to be sold and transferred in the REC Registry, and surrendered either voluntarily or to meet a liability under the <i>Renewable Energy Electricity (Act) 2000</i>. • If the RECs are not correctly created they are failed by ORER and will need to be re-created correctly.
<p>12 Find a buyer for your RECs. Sell your RECs and transfer them in the REC Registry</p>	<p>§ You do not have to sell your registered RECs at all, but if you wish to create RECs for your SGU installation you must create them within 12 months of the date of installation of the system.</p> <p>If you wish to sell your RECs, it is your responsibility to find a buyer and negotiate the price and other terms of sale. Potential buyers may include:</p> <ul style="list-style-type: none"> • electricity retailers who may need to purchase RECs to meet their REC liability • registered agents for deemed units, who create and trade RECs from SGUs • traders of RECs <p>Price and payment date should be key considerations when negotiating the sale of your RECs. You should ensure that:</p> <ul style="list-style-type: none"> • you are satisfied with the price and payment date you receive for your RECs • details are recorded in writing before entering any contractual arrangement to sell your RECs. <p>Once you have found a buyer and negotiated the terms of sale, you will need to transfer the RECs to the buyer through the REC Registry and arrange payment outside the REC Registry.</p> <p>§ ORER does not set the price of RECs nor does it get involved in disputes between buyers and sellers. Payment for RECs or the rights to create RECs is a contractual matter between the buyer and seller.</p>





SOLAR CREDITS

Please read this section in conjunction with *Step 1: Additional RECs: Solar Credits* of the “[Agent Assisted](#)” option, or *Step 6: Determine Solar Credits eligibility* of the “[Individual Trading](#)” option.

- Solar Credits is a mechanism which increases the number of RECs able to be created for eligible installations of SGUs through the use of a multiplier.
- Solar Credits are not means tested.
- Solar Credits apply to the first 1.5 kilowatts (kW) of capacity installed in an eligible premises (see below)
- Generation from capacity above 1.5 kW, either on the original unit or on any additional capacity installed at a later date, will still be eligible for the standard 1:1 rate of REC creation.
- Solar Credits apply to the first 1.5kW of all SGUs, including solar, wind, and hydro installations.
- If you are installing an off-grid SGU your system may be eligible for Solar Credits over and above those applicable to grid-connected systems. For more information see the [Current Agents Guide – off-grid](#) at <http://www.orer.gov.au/agents/index.html#offgrid>.

The current RET Legislation multiplier is as follows.

Installation Period	Multiplier
9 June 2009 – 30 June 2010	5 x [number of eligible RECs]
1 July 2010 – 30 June 2011	5 x [number of eligible RECs]
1 July 2011 – 30 June 2012	5 x [number of eligible RECs]
1 July 2012 – 30 June 2013	4 x [number of eligible RECs]
1 July 2013 – 30 June 2014	3 x [number of eligible RECs]
1 July 2014 – 30 June 2015	2 x [number of eligible RECs]

Eligibility criteria for Solar Credits

The SGU must comply with all eligibility criteria before it is entitled to Solar Credits.

- The unit is installed at eligible premises (see below) between 9 June 2009 and 30 June 2015;
- At the time the unit is installed, there is no pre-approval or funding agreement in force under the Solar Homes and Communities Plan (SHCP), the Renewable Remote Power Generation (RRPGP), or the National Solar Schools Program (NSSP) and no financial assistance has been provided in respect of the unit under the SHCP, the RRPGP or the NSSP;
- At the time the unit is installed, financial assistance under the SHCP, the Photovoltaic Rebate Programme (PVRP), the RRPGP or the NSSP has not been approved or provided in respect of any other SGU at the same location;
- The SGU is a new and complete unit. A unit is complete if:
 - it is capable of generating electricity in a form that is usable at the eligible premises where it is installed without the need for an additional part or parts to be added to or incorporated into the unit.
 - it is wired directly to the premises where it is installed, so that its output is capable of being metered at the premises or the unit includes a meter that is dedicated to measuring its electricity output.;
- At the time of REC creation in the Registry, Solar Credits have not been claimed on any previous set of RECs created for the same unit – for eg, on RECs submitted for previous deeming periods (only applicable if you have chosen 1 or 5 year deeming periods). RECs for subsequent deeming periods are created at 1:1 value.





- If the RECs are being claimed on the first 1.5 kW of the rated power output of the unit. RECs for power above 1.5kW and under 100 kW are created at 1:1 value. (Higher-rated units may be classified as Power Stations – see Step 2 of “[Individual Trading](#)” above).

Installing additional capacity

If you wish to install additional capacity to an existing unit it may be entitled to RECs. Additional capacity is not, however, entitled to the REC multiplier through Solar Credits. To determine the number of RECs the additional capacity may be entitled to insert the rated power output (in kW) for the additional capacity into the Small Generation Unit REC Calculator (<https://www.rec-registry.gov.au/sguCalculatorInit.shtml>). Note the number of RECs without Solar Credits in the result.

Definition of “eligible premises”

Solar Credits can only be claimed for one small generation unit installed at each “eligible premises”. “Eligible premises” is defined in the Regulations to mean any of the following:

- a house (including the land on which the house is located and any outbuildings on the land)
- a townhouse
- a residential apartment
- a shop (including the land on which the shop is located and any outbuildings on the land)
- other premises located at an address

An **outbuilding** is a detached building subordinate to a main building and is not considered to be an eligible premises in its own right.



If a building is not an eligible premises under the following definitions, any SGU installed on that building is still eligible to generate standard RECs.

House

A house is an eligible premises. However, the following separate buildings are not eligible:

- a home office located in the house or in an outbuilding on the land where the house is located; or
- a business operated from the house or in an outbuilding on the land where the house is located;

Townhouse, residential apartment

A townhouse, residential flat, unit or apartment is eligible to claim RECs on an installed SGU. This includes townhouses or apartments located in a:

- multi-story apartment building; or
- retirement village.

It does not include a room in a nursing home, hostel or similar assisted living facility. It also does not include:

- a home office located in the townhouse, residential flat, unit or apartment; or
- a business operated from the townhouse, residential flat, unit or apartment;

Shop

A shop is an eligible premises (except when located in a house, townhouse, residential flat, unit or apartment that is itself an eligible premises – see above). Each shop in a shopping mall or other multi-shop type complex is an eligible premises.





Other premises located at an address

Business premises (eg factories and offices)

Each separate business which is located at an address will be a “premises located at an address”, except when located in a house (land or outbuilding), townhouse, residential flat, unit or apartment that is itself an eligible premises.

Some businesses may be located at an address which covers several numbers in a street (e.g. a factory might be at 42-56 Smith Street). In such a situation, there is only one eligible premises.

Alternatively, some businesses will occupy a separate unit at a single street address, where a different business is carried out in the separate units, (e.g. Unit 2 of 56 Smith Street). Each unit is a separate eligible premises.

Specific types of premises

Each of the following types of businesses are regarded as a single eligible premises:

- a motel, hotel, resort or caravan park. However, individual room/cabin/villas etc in a motel, hotel or resort and each stationary caravan in a caravan park are *not* separate eligible premises.
- a nursing home, hostel. Individual rooms in the home or hostel are not a separate eligible premises.
- a hospital
- a restaurant

Community and educational buildings

- The building(s) located at an address where a community group or institution carries out its activities (including the land on which the building is located and any outbuildings on the land) is a single eligible premises (eg a scout hall, guides hall, sporting club, school, church or other religious building).
- In the situation where the building(s) is or are used by more than one organisation, there is one eligible premises only.

More than one premises located at a single address

Where more than one separate premises (excluding outbuildings) is located at a single address, all of those premises are separate eligible premises. Examples might include a:

- dairy on a farm that is separate to the residential house on the same farm — both premises are eligible premises;
- owner/manager’s house that is separate to the rest of a caravan park but at the same address — the house is a separate eligible premises to the caravan park;
- green keeper’s house that is separate to the rest of the golf course at the same address — the house and the business premises are separate eligible premises.

To be another 'eligible premises' at a single address, the premises must be clearly separate from the other eligible premises located at the address (e.g. the house). A building is not an eligible premises if it is an outbuilding associated with a house. For example:

- a garage, studio or other small building situated in close proximity to a house which itself is an eligible premises (where a small business may be carried out) is as an outbuilding and not another eligible premises;
- a larger business premises that is not subordinate to a house which itself is an eligible premises, and which more commonly is located further from the house than is usual for a garage or studio, is not an outbuilding and therefore is a separate eligible premises.





Structures that are not eligible premises

The following structures are **NOT** eligible premises:

- street lights, street signs, mobile phone towers, boats, cars and trailers;
- mobile homes, caravans or similar wheeled vehicles not intended to be permanently attached to the land (these are not defined as eligible premises because they do not remain at a location for a long period of time).



If a system is not eligible for Solar Credits the system can still create RECs with the standard 1:1 rate of REC calculation.

If you would like clarification regarding the eligibility of a particular premises, please contact the Small Units Team at the ORER via email orer@orer.gov.au. Include in your email as much detail as possible including location, address, boundaries, road access, title information, access to electrical connection and metering, ownership, occupancy, nature of business, maps and other information you may wish to provide.

HELPFUL LINKS

The below links are helpful for owners of SGUs:

- [Department of Climate Change and Energy Efficiency](#)
 - For policy updates. <http://www.climatechange.gov.au/>.
 - Quick guide to installing photovoltaic panels. <http://www.climatechange.gov.au/en/government/initiatives/~media/publications/renewable-energy/solar-pv-factsheet.ashx>.
 - The Department of Climate Change and Energy Efficiency also offers a solar water heater and heat pump rebate through the Energy Efficiency, Solar and Water Initiative in addition to RECs. For more information contact 1800 808 571.
- [Living Greener](#) – is an Australian Government website containing information for householders to help them live more sustainably. This includes information on solar photovoltaic panels and small-scale wind and hydro units. <http://www.livinggreener.gov.au/>
- [Your Home](#) – is an Australian Government website that contains a suite of consumer and technical guide materials and tools developed to encourage the design, construction or renovation of homes to be comfortable, healthy and more environmentally sustainable. <http://www.yourhome.gov.au/> .
- [Clean Energy Council](#) - Manages the accreditation of installers of small generation units and is the peak body representing Australia's clean energy sector. <http://cleanenergycouncil.org.au/>.
- [Renewable Energy Regulations](#): <http://www.comlaw.gov.au/comlaw%5Cmanagement.nsf/lookupindexpagesbyid/IP200401054?OpenDocument>.

ORER values your feedback. If you have any feedback on how to improve this fact sheet please email ORER orer@orer.gov.au

