



# Solar owners guide snapshot

How to receive a financial benefit for your renewable energy certificates (RECs)

**FOR OWNERS OF SOLAR WATER HEATERS AND SMALL-SCALE SOLAR PHOTOVOLTAIC PANELS (SMALL GENERATION UNITS)**



## Please note

- The Renewable Energy Target (RET) does not provide a rebate or feed-in tariff. For more information about rebates and feed-in tariffs contact your State Government or agent/retailer/installer. The Federal Government also offers a solar water heater and heat pump rebate through the Energy Efficiency, Solar and Water Initiative in addition to renewable energy certificates (RECs). For more information contact 1800 808 571.
- This guide provides a snapshot of the RET process for owners. You are encouraged to view the [Solar Water Heater Owners Guide](#) and [Small Generation Unit Owners Guide](#) for further details regarding the RET process.

## RET explained

The Renewable Energy Target (RET) scheme has been established to encourage additional generation of electricity from renewable energy sources to meet the Government's commitment to achieving a 20% share of renewables in Australia's electricity supply by 2020. The RET legislation:

- places a legal liability on wholesale purchasers of electricity (liable parties) to proportionally contribute to an additional 45,000 gigawatt hours (GWh) of renewable energy per year by 2020.
- sets the framework for both the supply and demand of renewable energy certificates (RECs) via a REC market.

## Who is eligible?

Renewable energy power stations, solar water heaters, heat pump water heaters and small generation units such as small-scale photovoltaic panels may be entitled to RECs if they fulfil accreditation and system eligibility requirements. For more information regarding eligibility requirements see the [Solar Water Heater Owners Guide](#) and [Small Generation Unit Owners Guide](#).

RECs are sold and transferred via a market based online system called the REC Registry to liable and other parties in exchange for a financial benefit. This provides significant incentive for growth in renewables across Australia.

## What's the difference between solar photovoltaic panels, heat pumps and solar hot water systems?

Solar photovoltaic panels generate electricity whereas solar water heaters absorb energy from the sun to heat water. Heat pump hot water systems draw heat from the air to heat water.

## What is a REC?

A renewable energy certificate (REC) is a commodity in the REC market. RECs are created by eligible parties (renewable energy power stations, solar water heaters, small generation units) and sold to liable parties (wholesale purchasers of electricity) and other parties via the REC Registry to meet their liability under the RET.





## Calculating RECs

The number of RECs a solar water heater or solar photovoltaic panel (small generation unit) is entitled to is calculated by determining the amount of electricity the solar water heater displaces or the amount of electricity a solar photovoltaic system produces over a determined period (called a deeming period) given that the installation and ongoing use of the system will reduce demand on the electricity grid. Systems are usually deemed for the maximum period of 15 years for solar photovoltaic panels and 10 years for solar water heaters to receive the maximum amount of RECs upfront.

If you would like to determine the number of RECs your system could receive under the RET the REC Registry contains a Small Generation Unit and Solar Water Heater REC Calculator.

Visit – [Small Generation Unit REC Calculator](#)  
– [Solar Water Heater REC Calculator](#)

## REC prices

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. 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 the Office of the Renewable Energy Regulator (ORER).

## Solar Credits

If your solar photovoltaic system was installed on or after **9 June 2009** it may be eligible for additional RECs under Solar Credits. Under **Option 1: Agent Assisted**, as detailed below, your agent (often a retailer/installer) should factor the additional RECs into your REC calculation. If you wish to understand the eligibility criteria for Solar Credits see **Option 2: Individual Trading** in the [Small Generation Units Owners Guide](#).



If you wish to install additional capacity to an existing system it may be entitled to RECs if it fulfils eligibility requirements. Additional capacity is not entitled to additional Solar Credit RECs.

## OPTIONS FOR GAINING FINANCIAL BENEFITS FROM YOUR RECs

There are two options for gaining financial benefits for your RECs under the RET scheme:

### Option 1: Agent Assisted

#### Step 1: Find an agent

Eligible systems are entitled to a certain number of RECs which are worth a cash value through the REC Market. A majority of owners choose to assign their RECs to a registered agent (often a retailer/installer) via a REC Assignment Form in exchange for a financial benefit such as a delayed cash payment or upfront discount. The ORER website contains a list of registered agents. ORER recommends contacting a range of agents to compare financial benefits offered.

Visit – [List of registered agents](#)





## Option 1: Agent Assisted

### Step 2: Assign your RECs to the Agent

Before assigning your right to create RECs to the agent through a REC Assignment Form:

- Make sure the system is installed. **RECs cannot be assigned prior to installation. RECs must be created within 12 months of the installation date.**
- Make sure you are satisfied with the financial benefit and the date of payment the agent is offering for your RECs.
- Check that details are recorded in writing through a REC Assignment Form that should be provided by your agent.

If you experience a delay in receiving payment for your RECs please contact the agent you have agreed to assign your RECs to.

If your system has not been installed and you have already assigned your RECs to an agent by signing a REC Assignment Form contact the **ORER compliance team** by emailing [compliance@orer.gov.au](mailto:compliance@orer.gov.au)

## Option 2: Individual Trading

If you are considering purchasing a system without an agent you have the option to create the RECs yourself in the REC Registry. You will need to find a buyer outside the REC Registry, arrange terms of sale, and transfer the RECs to the buyer in the REC Registry. This process is more complex and involves:

- Determining the eligibility of the system.
- Determining the number of RECs the system is entitled to
- Becoming a registered person in the REC Registry
- Submitting appropriate paperwork if need be

For more detail see the [Solar Water Heater Owners Guide](#) and [Small Generation Unit Owners Guide](#).

### Additional checklist for owners

- Shop around. See which agent offers the most suitable financial benefit for you
- Solar photovoltaic panels with a 15 year deeming period must be installed by a CEC accredited installer
- Request a copy of the installer's certification, issued by a suitable authority
- Keep a copy of the REC Assignment Form for your records
- Ensure you are familiar with the appropriate owners guide on the ORER website under [www.orer.gov.au](http://www.orer.gov.au)

