

Solar Hot Water Rebate Guidelines

Updated August 2007

The Solar Hot Water Rebate program, administered by Sustainability Victoria, is part of the Victorian Government's commitment to reducing greenhouse gas emissions and increasing the sustainability of Victoria's energy supply and use.

What is the solar hot water rebate?

The Solar Hot Water Rebate program provides rebates for installations in Victoria that:

1. Replace a natural gas or LPG water heater with a gas-boosted solar system;
2. Add solar to an existing natural gas or LPG water heater by installing a solar system as a preheater; and
3. Add solar to an existing electric water heater by installing a retrofit kit.

Is a rebate available for new homes?

While solar water heater installations in new homes or buildings are not eligible for the Solar Hot Water Rebate, a financial incentive is available through the Commonwealth Government's Renewable Energy Certificates (RECs) scheme. Your manufacturer can advise on eligibility.

Is a rebate available for replacing an electric water heater?

There is a Commonwealth Government \$1,000 rebate available for households replacing electric water heating as well as a financial incentive through RECs. Your manufacturer can advise on eligibility.

Can I get the Victorian Government Rebate and RECs?

Victorian Government Rebates are not available for installations that attract RECs. The only exceptions are where a gas-boosted solar system replaces a gas water heater or a solar system replaces a solid fuel water heater. In these situations both the Victorian Government Rebate and Commonwealth Government's RECs are available. Your manufacturer can advise on eligibility.

Use the 'Summary of rebates' table on page 3 to check availability of rebates and RECs.

Hot water accounts for 20% of a household's greenhouse gas emissions in Victoria. By installing a solar water heater you will reduce these emissions and also save up to 75% of your water heating costs.

How much is the rebate?

The rebate takes the form of a point-of-sale discount and is only available through participating manufacturers. Visit the list of manufacturers at www.sustainability.vic.gov.au/rebates.

Rebates range from \$480 to \$1,500 for residential properties. The amount of rebate is based on the size of a system (amount of water produced) and performance (its solar contribution). The better performing systems, or the ones that make the most effective use of the sun's energy, attract a higher rebate.

A list of accredited systems and the rebate they attract is available from www.sustainability.vic.gov.au/rebates.

Who is eligible for a rebate?

Solar Hot Water Rebates are available for:

- > Private homes, and
- > Community facilities - non-profit organisations, churches, local government buildings designed for community use and sporting club amenities (excludes pools/spas).

The installation must be in an existing home or building (refer to 'Summary of rebates table').

Which solar systems can be installed?

Only accredited solar water heater systems that fulfil the following criteria:

- > A greater than 50% solar fraction in northern Victoria as assessed to Australian Standard 4234.

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- > A warranty on major components of no less than five years including frost protection.
- > The system must be new and not second-hand (preheaters can be attached to an existing tank).
- > The system installation must result in reduced greenhouse gas emissions (Thus, the replacement of an existing gas water heater with an electric-boosted solar water heater would not attract a rebate).
- > The solar water heater, preheater or retrofit kit must be listed for the rebate by Sustainability Victoria at www.sustainability.vic.gov.au/rebates

Both the applicant and the installer will be required to sign declarations on the application forms giving information about existing water heater(s).

Can I add solar to an existing gas water heater?

A solar water heater (including collectors and tank) can be attached to an existing conventional natural gas or LPG water heater and still qualify for a rebate. When a system is configured in this way it acts as a preheater.

A solar water heater that is generally designed for electric boosting can be connected to an existing natural gas or LPG water heater provided that an electric element is not fitted. An attached solar preheater will only be eligible for a rebate if the existing gas water heater is expected to last for three further years and it has been installed for more than one year in the existing building. Details of the existing water heater will be required in the installation report.

NOTE: A heat pump cannot be installed as a preheater. As heat pumps use significant amounts of electricity to operate they are included as electric boosted solar water heaters and are not eligible for a rebate as a preheater.

Can I add solar to an existing electric water heater?

Solar water heater retrofit kits are used to add solar panels to existing electric off-peak water heaters. Conventional tanks are not designed to be connected to solar collectors so retrofit kits are not as effective as a water heater designed specifically for solar. However, significant savings can still be made.

Will systems that are custom designed for larger loads attract a rebate?

Existing buildings that require large amounts of hot water (such as a multi-dwelling building or a community building) can be eligible for a rebate where a standard commercial system is unsuitable. A rebate will only be paid where there is no REC eligibility. For larger custom designed systems the rebate is calculated based on the area of collectors and the performance of the collector as tested to AS2535.1. Where the installation is to occur for a single residence a maximum rebate of \$1,500 is available. Details of custom designed systems will need to be provided to Sustainability Victoria to confirm rebate eligibility prior to installation.

Can I replace a solid fuel water heater or add solar to an existing solid fuel system?

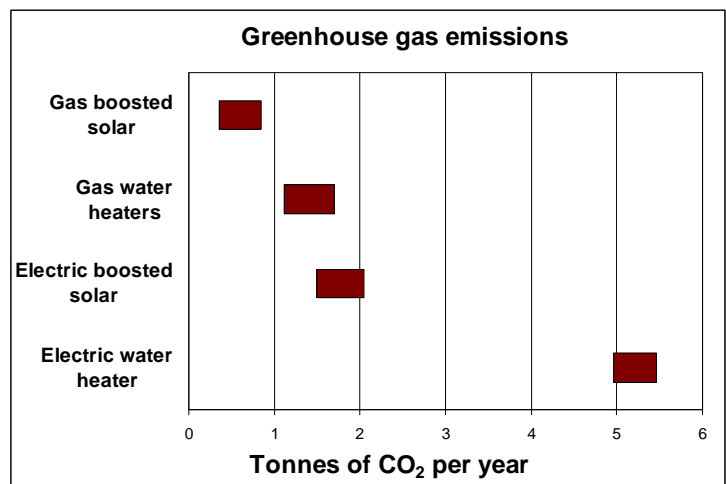
Installing a solar water heater in an existing house that uses solid fuel to heat water or attaching a solar system as a preheater will attract a rebate where there is no existing electric water heating installed in the house.

BOOSTING SOLAR WATER HEATERS

The combustion of natural gas produces far less greenhouse pollution than the combustion of brown coal, the major fuel source for electricity in Victoria. The majority of conventional water heaters in Victoria use natural gas.

Any solar water heater in Victoria will require some form of boosting, and in most cases this will be gas or electricity. The amount of greenhouse pollution emitted from a conventional gas water heater is less than a typical electric-boosted solar water heater (see graph).

A gas-boosted solar water heater will be the most environmentally responsible option.



Greenhouse gas emissions from different water heater types
Estimated Household Water Heating Energy Use, Running Costs and Emissions, Victoria:
George Wilkenfeld and Associates (May 2005) for Sustainability Victoria

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Summary of rebates

Installation situation	Victorian Government Rebate \$480 - \$1,500 depending on system	Commonwealth Government \$1,000 Rebate*	RECs eligible**
<i>For private homes and community buildings</i>			
Replacing a natural gas or LPG water heater with a gas-boosted solar system	Yes	No	Yes
Adding a solar water heater to an existing natural gas or LPG water heater, as a preheater	Yes	No	No
Adding solar panels to an existing off-peak electric water heater either with a pump or by thermosiphon as a retrofit kit	Yes	No	No
Replacing a wood or briquette water heater with a gas-boosted or electric solar system	Yes	No	Yes
Replacing an electric water heater with gas-boosted or electric solar system	No	Yes*	Yes
New homes and buildings installing a gas-boosted or electric solar system	No	No	Yes
Existing buildings requiring a custom designed system for a large hot water load	Yes	No	No
<i>For commercial buildings</i>			
New or existing buildings installing a solar water heater	No	No	Yes

* Conditions apply including must be a principle place of residence. Refer to www.greenhouse.gov.au/rebates or telephone 1800 808 571.

** Indicates whether situation is eligible for a financial incentive through Commonwealth Government's Renewable Energy Certificates (RECs) scheme. For example, if the REC price is \$25 and your installation attracts 30 RECs you could save \$750. Your manufacturer can advise on RECs eligibility or visit www.orer.gov.au/swh

How do I access the Victorian Government Rebate?

STEP 1

Read these Guidelines carefully and determine whether you are eligible for a Victorian Government Rebate

STEP 2

Contact a manufacturer who will provide a quotation. It is recommended that more than one quote be obtained. The manufacturer will provide the rebate application form and process your application with Sustainability Victoria.

STEP 3

Once the system is installed the installer will complete and sign the installer's certifications (Part A of the Application Form supplied by the manufacturer). You

will need to complete and sign the applicant's certifications (Part B).

STEP 4

Pay the installer the full supply and installation cost plus GST, less the rebate amount.

STEP 5

The manufacturer will process the application and forward to Sustainability Victoria. The manufacturer will then be reimbursed the rebate amount on behalf of the applicant.

For further information please call 1300 554 302 or visit www.sustainability.vic.gov.au/rebates.

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APPLICANT'S RESPONSIBILITIES

The applicant is required to acknowledge that the solar water heater may be inspected by Sustainability Victoria (upon reasonable request) during the first five years of operation.

The applicant shall repay the rebate if any of the conditions in the guidelines have been breached during the first five years of operation.

The applicant must ensure the installer has filled in the Application Form correctly and completely.

COMPLIANCE CERTIFICATE

The Compliance Certificate number is required as evidence of the installation of your solar hot water system by a registered plumber. A Compliance Certificate from your plumber is required for any plumbing jobs over the value of \$500. A Compliance Certificate will provide you with a six-year workmanship guarantee and certifies that the work complies with the relevant plumbing standards. For more information visit the Plumbing Industry Commission website at www.pic.vic.gov.au.

GST

Sustainability Victoria requested a private ruling from the Australian Taxation Office regarding the effect of GST on the rebate (ref. GST/NAT/CRS38415). This ruling states that the rebate is not affected by GST for both domestic and commercial applicants.

The rebate acts as a point-of-sale discount, and this is applied after all GST considerations for the water heater have been taken into account.

If you purchase a system that is worth \$3000 it will cost you \$3300 with GST. If the system attracts a rebate of \$1000, this is taken off at the end of the transaction and the cost to you will be \$2300.

WARRANTY

The manufacturer must provide a complete warranty for the hot water system, including damage from freezing, for at least five years.

There is no warranty given or implied by the Victorian Government or Sustainability Victoria on any aspect of a solar hot water heater that received a rebate through the Solar Hot Water Rebate Program.

The Victorian Government and Sustainability Victoria accept no representation for the quality of any feature of solar hot water systems that are accredited for the program.

RIGHTS RESERVED BY SUSTAINABILITY VICTORIA

Sustainability Victoria may decide in its sole and absolute discretion whether a solar hot water heater installation is eligible for a rebate or not.

Sustainability Victoria reserves the right to inspect the installation at any time within the first five years of operation.

Sustainability Victoria reserves the right, at its sole and absolute discretion and at any time, to change any or all of these Solar Hot Water Rebate Guidelines.

RENEWABLE ENERGY CERTIFICATES (RECS)

The Commonwealth Government's Mandatory Renewable Energy Target seeks to increase the contribution of renewable energy sources in Australia's electricity mix by 2010. Under the measure, electricity retailers have to purchase increasing amounts of electricity generated from renewable sources. Renewable Energy Certificates (RECs) are a way of keeping track of how much renewable energy has been generated and who has generated it. RECs can be traded between individuals and companies. The installation of solar water heaters is included as a source of RECs. Thus, a financial incentive may be available through RECs. RECs can be assigned to the solar hot water manufacturer in return for a point-of-sale discount. For more information visit the Renewable Energy Regulator website at www.orer.gov.au/swh.

INDEMNITY

The applicant acknowledges that neither the Victorian Government nor Sustainability Victoria nor any of their authorised representatives accept any liability in respect of any claim or cause of action arising out of, or in relation to, any solar hot water heater that is the subject of funding assistance. The applicant agrees that they will indemnify and keep indemnified the Victorian Government and Sustainability Victoria for any claim or liability arising out of, or in relation to, the solar hot water heater that is the subject of this application.

PRIVACY STATEMENT

Sustainability Victoria collects your personal information for the purpose of administering the Solar Hot Water Rebate program. We only disclose your personal information if it is necessary for the performance of our functions. If you wish to seek access to the personal information which Sustainability Victoria holds about you, please contact us by writing to: Corporate Services, Sustainability Victoria, Level 28, Urban Workshop, 50 Lonsdale Street, Melbourne Victoria 3000.

Sustainability Victoria privacy policy is available from www.sustainability.vic.gov.au.