



DETERMINING ELIGIBILITY AND RENEWABLE ENERGY CERTIFICATE (REC) ENTITLEMENT FOR SOLAR WATER HEATER AND HEAT PUMP WATER HEATER INSTALLATIONS¹

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INTRODUCTION

The *Renewable Energy (Electricity) Act 2000* (the Act) and the *Renewable Energy (Electricity) Regulations 2001* (the Regulations) allow owners of eligible solar water heaters (SWHs), including heat pump water heaters, to create and trade renewable energy certificates (RECs).² For SWHs, each REC represents the equivalent of one megawatt hour of electricity generation from an accredited renewable energy source. Once RECs are validated and registered by the Office of the Renewable Energy Regulator (ORER), they can be sold in the REC market. Potential buyers of RECs include:

- liable parties, such as electricity retailers, who have an obligation to surrender RECs to the ORER each year or pay a shortfall charge in order to acquit their liability under the Act;
- Registered Agents; and
- traders of RECs.

Owners of SWHs can choose to create RECs themselves through the internet-based REC Registry (www.rec-registry.gov.au), but most find it more convenient to assign their right to create RECs to a Registered Agent in return for a financial benefit such as a discount on the purchase price of the SWH or a delayed cash payment. Details of these two options, as well as a list of Registered Agents who have agreed to make their contact details publicly available, can be found on the ORER website (www.orer.gov.au/publications/agents.html) or by contacting the ORER by telephone on 02 6274 2192.

¹ Note: The information provided in this document may be subject to change with amendments to the *Renewable Energy (Electricity) Act 2000*, the *Renewable Energy (Electricity) Regulations 2001*, and the administrative processes adopted by the Office of the Renewable Energy Regulator.

² It is the owner of the eligible SWH at the time it was installed who has the right to create RECs for their SWH. This right can be assigned to a registered agent.

INSTALLATION PERIODS

On 6 October 2007 the Regulations were amended by the *Renewable Energy (Electricity) Amendment Regulations 2007*. The new provisions of the amended Regulations apply only to SWHs **installed on or after 6 October 2007**; whereas SWHs **installed before 6 October 2007** must abide by the requirements of the previous version of the Regulations. The amended Regulations allow for eligible SWHs **installed on or after 6 October 2007** to be installed over a period of 60 days. For example, the tank may be installed (and operated) before the panels are installed and the SWH will be eligible for RECs as long as the system is able to produce and deliver hot water heated by solar energy no more than 60 days from the start of installation of any component of the heater.

DETERMINING THE ELIGIBILITY OF AN INSTALLATION

For a SWH to be eligible for RECs it must:

- be a complete model listed in the Register of solar water heaters (www.orer.gov.au/swh/register.html); and
- have been installed within the eligibility period for the particular model (as listed in the [Register of solar water heaters](#)); and
- have been installed within the last 12 months – ie. RECs may only be created within 12 months after the installation date:
 - SWHs installed **before** 6 October 2007 must have a single installation date;
 - SWHs installed **on or after** 6 October 2007 have a 60-day installation period, ie. the SWH must be completely installed within 60 days from the date the first component of the SWH was installed. The installation date is taken to be the day the heater is first able to produce and deliver hot water heated by solar energy.

Each and every SWH installation that meets the above eligibility requirements is entitled to create RECs. This is regardless of whether the SWH is installed in a new building or an existing building, or whether the SWH replaces, or is additional to, any type of existing water heater. If a person or organisation owns more than one eligible SWH installation, then they are entitled to create RECs for each of those eligible installations.

DETERMINING A REC ENTITLEMENT FOR AN ELIGIBLE SWH INSTALLATION

The number of RECs an eligible installation is entitled to create depends on the brand and model of SWH, its installation date and the postcode zone in which it is

located. You will need all of this information to look up the REC entitlement of your SWH in the [Register of solar water heaters](#). The number of RECs a SWH installation is entitled to create may change according to its installation date – different eligible installation periods for a model will be listed as consecutive rows in the [Register of solar water heaters](#).

To determine the REC entitlement of an eligible SWH, after ensuring your installation meets the above eligibility requirements:

1. Have the following information ready: the brand and exact model name of your eligible SWH, the date on which it was installed and the postcode zone in which it is installed. The postcode zone of the location in which the SWH is installed can be found by looking up your postcode in Table 1 *Postcodes Zones for Solar Water Heaters* on page 4 of this document.
2. Find the entry/entries for the particular model in the list of eligible SWHs in the [Register of solar water heaters](#).
3. Check that the installation date of your SWH is within one of the eligible installation periods for the particular model. If so, proceed to step 5. If not, your SWH is not eligible for any RECs at this time.
4. The number of RECs that can be created for your SWH will be in the row pertaining to the model and the eligible installation period in which your SWH's installation date falls, under the column for your SWH's postcode zone.

TABLE 1**Postcode Zones for Solar Water Heaters**

Postcode range From	To	Zone	Postcode range From	To	Zone	Postcode range From	To	Zone
0200	0299	3	3750	3898	4	5231	5261	3
0800	0862	1	3900	3900	3	5262	5263	4
0870	0872	2	3902	3996	4	5264	5270	3
0880	0909	1	4000	4419	3	5271	5291	4
1001	2914	3	4420	4420	1	5301	6256	3
3000	3381	4	4421	4428	3	6258	6262	4
3384	3384	3	4454	4454	1	6271	6318	3
3385	3387	4	4455	4468	3	6320	6338	4
3388	3396	3	4470	4475	2	6341	6341	3
3399	3413	4	4477	4477	1	6343	6348	4
3414	3424	3	4478	4482	2	6350	6353	3
3427	3451	4	4486	4488	3	6355	6356	4
3453	3453	3	4489	4493	2	6357	6395	3
3458	3462	3	4494	4615	3	6396	6398	4
3463	3465	3	4620	4724	1	6401	6439	3
3467	3469	4	4725	4725	2	6440	6440	2
3472	3520	3	4726	4726	1	6441	6444	3
3521	3522	4	4727	4731	2	6445	6452	4
3523	3649	3	4732	4733	1	6460	6640	3
3658	3658	4	4735	4736	2	6642	6725	2
3659	3660	3	4737	4824	1	6726	6743	1
3661	3661	4	4825	4829	2	6751	6799	2
3662	3709	3	4830	4895	1	6800	6997	3
3711	3724	4	5000	5214	3	7000	8873	4
3725	3749	3	5220	5223	4	9000	9729	3