

What is ORER?

The Office of the Renewable Energy Regulator is a statutory agency established to oversee the implementation of the Large-scale Renewable Energy Target (LRET) and the Small-scale Renewable Energy Scheme (SRES).

These schemes are implemented through the *Renewable Energy (Electricity) Act 2000* and the accompanying *Renewable Energy (Electricity) Regulations 2001*.

The Act aims to:

- encourage the additional generation of electricity from renewable sources;
- reduce emissions of greenhouse gases in the electricity sector; and
- ensure that renewable energy sources are ecologically sustainable.

ORER has the power to enforce compliance requirements as listed under the Act and Regulations.

What is the purpose of the Small-scale Renewable Energy Scheme?

The Small-scale Renewable Energy Scheme encourages the purchase of solar water heaters, heat pumps, and small-scale solar panel, wind and hydro systems by offering a financial benefit to owners through the assignment and/or sale of STCs.

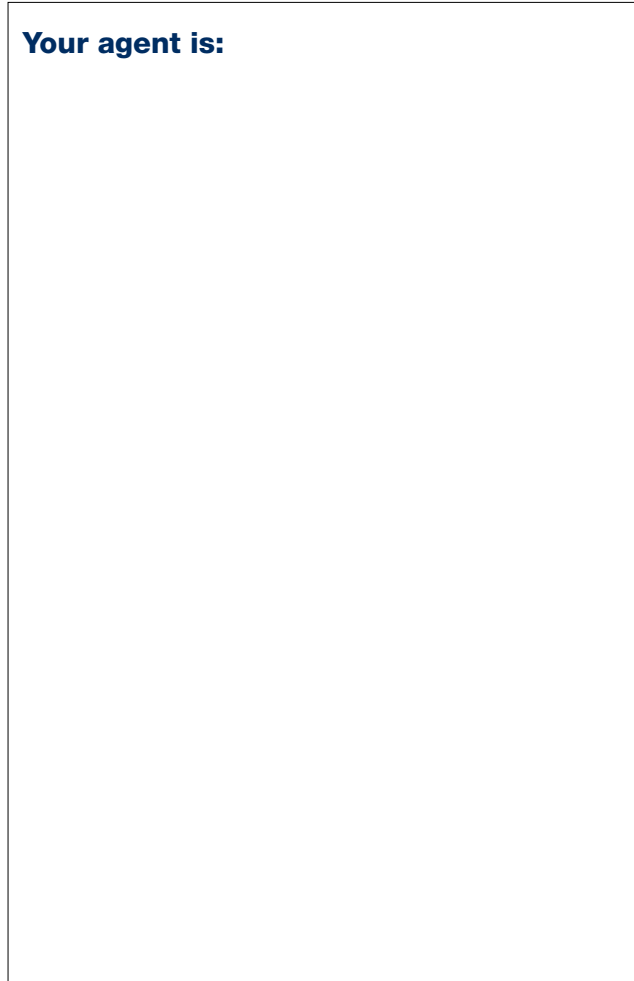


More information

For more information, speak to your Agent.

You can also find information on the ORER website at www.orer.gov.au.

Your agent is:



Australian Government

Office of the Renewable Energy Regulator

What you need to know about Small-scale Technology Certificates (STCs)



Increasing Australia's Renewable Electricity Generation

www.orer.gov.au

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What you need to know about Small-scale Technology Certificates

What are they?

Small-scale Technology Certificates, or STCs, are a tradeable commodity attached to eligible installations of renewable energy systems (including solar panels, solar water heaters and heat pumps).

Under the Federal Government's Small-scale Renewable Energy Scheme, when you install an eligible system, you may claim a set number of these STCs.

This number is based on the amount of electricity in megawatt hours (MWh):

- **generated** by your small-scale solar panel, wind or hydro system over the course of its lifetime of up to 15 years; or
- **displaced** by your solar water heater or heat pump over the course of its lifetime of up to 10 years.

The number of certificates you can claim may vary depending on your geographic location, what you're installing, whether your installation is eligible for Solar Credits, and/or the size and capacity of the installed system. For example, a 1.5kW solar panel system in Melbourne might be eligible for a minimum 21 STCs, while a solar water heater in Hobart might be eligible for a minimum of 20 STCs.

Solar Credits is a mechanism which increases the number of STCs that can be created for eligible installations of small-scale solar panel (photovoltaic – PV), wind, and hydro systems.

You can calculate the number of STCs claimable by a system by using the calculators on the ORER website.

How do I get money for STCs?

First and foremost, your STCs must be created within 12 months of your system being installed.

You can assign your STCs to a registered Agent (such as a retailer or installer). They will give you a financial benefit for the certificates, such as a discount off the invoice, in exchange for the right to create and sell the certificates.

Note that ORER does not set the STC price used by Agents, nor does it get involved in disputes between owners and Agents. Payment for STCs or the rights to create STCs is a contractual matter between you and your Agent.

You must complete the Agent's STC Assignment Form in order to assign the certificates and claim your benefit. You must also provide or sign any other documentation required by the Agent or an installer acting on the Agent's behalf.

These documents are an essential part of the eligibility process and must comply with legislated requirements for your installation.

Do not assign your certificates to your Agent until you are satisfied that the system has been installed and is working.

What happens to my STCs once they have been assigned?

The Agent creates the STCs in an online system called the REC Registry. They are then able to be listed for sale through the open STC market, or the ORER-managed STC Clearing House.

The price of STCs fluctuates depending on demand in the market but tends to stay between \$20 and \$40/STC. There is a Government-guaranteed price of \$40/STC (excluding GST) if the seller uses the STC Clearing House. However, certificates may take some time to clear, thus delaying payment to the seller.

The demand for STCs is created by liable entities (commonly electricity retailers) who are required by law to buy and surrender a set number of STCs per year. Surrendered STCs are invalidated by ORER and cannot be bought or sold again.

What if I want to create the certificates myself?

This is perfectly possible but you will need to do all the work ordinarily undertaken by an Agent. You will pay full price for your system, and manage the installation of it yourself to ensure that it is eligible to claim STCs. You will also need to create the certificates yourself on the REC Registry and have them validated by ORER. You can then either:

- Find a company that will purchase small numbers of STCs and arrange a contract for their sale, or;
- Use the ORER-managed STC Clearing House to sell your certificates for a fixed price of \$40 (excl.GST) per STC.

STCs are placed in a queue for sale, where they wait until a buyer is available. The sale can be immediate, or take many months – there are no guarantees on how long your STCs will take to sell.

When the STCs are transferred to the seller you will receive the money from their purchase.

As this process can be complex, many householders prefer to use an Agent.

How do I know my renewable energy system is eligible for STCs?

Your new **solar water heater** or **heat pump** is eligible if it is listed in the Register of Solar Water Heaters.

Your new **solar panel system** is eligible if its components are listed in the Clean Energy Council list of accredited components, and it is installed correctly by a Clean Energy Council accredited installer.

