

Victorian Solar Hot Water Rebate Guidelines for Applicants and Suppliers (Updated 1 July 2010)

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.

Which installations attract a Victorian Government rebate under this program?

This program provides rebates for installations in households 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;
3. Add solar to an existing electric water heater by installing a retrofit kit;
4. Replace an existing solar, solid fuel or oil fired water heater with a solar system. Must be natural gas boosted if available in the street. Existing LPG boosted solar water heaters can only be replaced with gas boosted systems.
5. Replacing an electric water heater with gas-boosted or electric-boosted solar system (if natural gas is not available in the street) where the applicant has installed ceiling insulation under the Australian Government's Homeowner Insulation Program.

How much is the rebate?

Rebates for complete solar hot water systems will vary depending on the size and performance of the system, relative installation costs, your location and other incentives available. Rebates for installations in regional Victoria range from \$400 to \$1600. In metropolitan Melbourne the rebates range from \$300 to \$1500.

Details of rebate amounts and a list of eligible solar water heaters will be on the Sustainability Victoria Online Database used by participating suppliers and available at www.resourcesmart.vic.gov.au/rebates

An additional rebate of \$200 is available for eligible households replacing an electric water heater where there is gas available in the street and this is the first connection to the property

What other incentives are available?

The Victorian Energy Efficiency Target scheme (VEET) provides financial incentives to promote household-level energy savings and efficiency through the generation of Victorian Energy Efficiency Certificates (VEEC's).

Households are also able to access the Australian Government's Renewable Energy Certificates (RECs) scheme.

The Australian Government's \$1000 solar hot water rebate is available for households replacing electric water heating. Refer to www.environment.gov.au/rebates

To determine which incentives are available to householders refer to the 'Summary of incentives table'.

How do I get the rebate?

The Victorian Government rebate takes the form of a Point-of-Sale discount on the supply and installation cost and is only available through participating suppliers. The participating supplier is required to arrange installation and to provide Sustainability Victoria with a copy of the customer invoice itemising the system cost, installation cost and the Victorian Government rebate amount.

The list of participating suppliers is available at www.resourcesmart.vic.gov.au/rebates or by calling the hotline on 1300 366 195.

Summary of Incentives

| Installation situation | Victorian Government Rebate | Australian Government * | Renewable Energy Certificates (REC) eligible | Victorian Energy Efficiency Certificates (VEEC) eligible |
|---|-----------------------------|-------------------------|--|--|
| For private homes (owner-occupied or permanently tenanted) | | | | |
| Replacing a natural gas or LPG water heater with a gas-boosted solar system | Yes | No | Yes | Yes |
| Adding a solar water heater to an existing natural gas or LPG water heater, as a preheater | Yes | No | No | Yes |
| 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 | Yes |
| Replacing an existing solar, wood, briquette or oil fuelled water heater with gas-boosted or electric solar system. Must be natural gas boosted if available in the street. Existing LPG boosted solar water heaters can only be replaced with gas boosted systems. | Yes | No | Yes | No |
| Replacing an electric water heater with gas-boosted or electric solar system (if natural gas is not available in the street) where the applicant has installed ceiling insulation under the Australian Government's Homeowner Insulation Program | Yes | No | Yes | Yes |
| Replacing an electric water heater with gas-boosted or electric solar system where applicant has not installed ceiling insulation under the Australian Government's Homeowner Insulation Program | No | Yes* | Yes | Yes |
| New homes and buildings installing a gas-boosted or electric solar system | No | No | Yes | No |
| For commercial / other buildings | | | | |
| New or existing buildings installing a solar water heater | No | No | Yes | No |

* Refer to www.greenhouse.gov.au/rebates or telephone 1800 808 571.

Who is eligible for a rebate?

Solar Hot Water Rebates are available for a dwelling which is permanently occupied by an owner occupier or a tenant. Landlords can access the rebate where there is a permanent tenant who is responsible for the energy bills and the bills are in the tenant's name. Only one rebate per dwelling is allowed.

Rebates are not available to commercial and non-commercial entities; only individuals are eligible to apply.

To determine whether your suburb/town qualifies for the Metropolitan Melbourne rebate program or the Regional Victoria rebate program enter your address online at www.resourcesmart.vic.gov.au/rebates or contact a participating supplier to confirm eligibility for the rebate.

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

Which solar systems can be installed?

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

- > Provide a greater than 60% solar fraction in Southern Victoria as assessed in *AS 4234-1994 Solar water heaters – Domestic and heat pump – Calculation of energy consumption* or *AS/NZS 4234:2008 Heated water systems – Calculation of energy consumption*. In the future it will be mandated that all modelling be carried out in compliance using *AS/NZS 4234:2008*. (A date is yet to be set).
- > Include a warranty on major components of no less than five years including damage from freezing.
- > Are new and not second-hand (new preheaters can be attached to an existing tank)
- > Result in reduced greenhouse gas emissions (therefore the replacement of an existing natural gas or LPG water heater with an electric-boosted solar system would not attract a rebate).
- > Are approved by Sustainability Victoria and listed on its website.
- > Are oriented between 60 degrees west or east of true north on your roof and not be overshadowed by trees or buildings. (Check this prior to purchase)
- > Are installed by a licensed plumber and a compliance certificate issued.

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I am replacing an electric hot water system-What rebate can I get?

You should make application to the Australian Government for a rebate. A Victorian Solar Hot Water Rebate is only available if you have installed ceiling insulation under the Australian Government's Homeowner Insulation Program as this would make you ineligible for the Australian Government solar hot water rebate.

Use the 'Summary of incentives' table on page 2 to check availability of rebates, RECs and VEECs.

Can I get the Victorian Government Rebate plus the Australian Government's Renewable Energy Certificates (RECs) and the Victorian Government's Victorian Energy Efficiency Certificates (VEECs)?

Yes. For installation of complete solar hot water systems you will also be eligible for RECs and VEECs. RECs can add a further financial incentive to significantly reduce the cost. For example, if your system attracts 30 RECs and the market value of RECs is \$40, this will reduce your costs by \$1,200. The same principle applies with VEECs.

Your supplier can advise on eligibility and the value of RECs and VEECs. For details on RECs see the website of the Office of the Renewable Energy Regulator at <http://www.orer.gov.au/> and for VEECs see the website of the Victorian Essential Services Commission at <http://www.esc.vic.gov.au/>.

Use the 'Summary of incentives' table on page 2 to check availability of rebates, RECs and VEECs.

Can I add a Solar Preheater to an existing gas water heater? Are there additional requirements?

Yes. 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. A rebate only applies if the existing gas water heater is expected to last for three further years and it has been operating for more than one year. 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 a Solar Retrofit Kit to an existing electric water heater? Are there additional requirements?

Yes. A rebate only applies if the existing electric water heater is expected to last for three further years and it has been operating for more than one year. Details of the existing water heater will be required in the Installation Report. 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.

Is a rebate available for new homes?

No. The Victorian Government Rebate is only available for replacing a water heater previously operational at the installation address for more than one year. If the system being replaced is a solar system then it must have been operational at the installation address for more than five years. Installations in new homes have incentives through the RECs scheme.

Which direction should the solar collectors face?

The collectors must face as close as possible to due north but may be installed facing within 60 degrees west or east of true North (50 degrees east and 70 degrees west of north as measured by a magnetic compass) The solar collectors must not be overshadowed by trees or buildings between 9am and 3pm. (Check this prior to purchase)

At what inclination should the collectors be installed?

An inclination of 38 degrees from horizontal will achieve the best efficiency; however an inclination of 10 to 50 degrees is acceptable. The additional cost of a frame to tilt the collectors to 38 degrees is generally uneconomical if they are oriented close to North.

What if my roof does not suit these facing directions or inclinations?

Supporting frames are available to permit mounting of collectors on roofs that do not provide ideal orientations. Alternatively, if an additional 25% collector area is installed, the collectors can be faced anywhere between due west through a northerly arc to due east (100 degrees west of north and 80 degrees east of north as measured by a magnetic compass). No rebate will be payable for the additional collector(s) required and this configuration must comply with AS 2712-2007 Solar and heat

pump water heaters design and construction. To be eligible for the rebate, collectors cannot be faced south of either due west or due east

Steps to access the Solar Hot Water Rebate:

STEP 1

Read these Guidelines carefully and determine whether you are eligible for a Victorian Solar Hot Water Rebate. You can check your eligibility online at www.resourcesmart.vic.gov.au/rebates

STEP 2

Contact a participating supplier to obtain a quotation for the supply and installation of your solar hot water system. If you accept the quotation, the supplier will:

- > access an online database to authorise your rebate with Sustainability Victoria
- > arrange installation of your new system
- > provide the installer with an application form and an installation report for your rebate, and
- > deduct the rebate amount off the cost of the system and installation.

STEP 3

After the system is installed the plumber will complete and sign the Installer's Certifications (Part A of the Application Form). You will need to complete and sign the Applicant's Certifications (Part B). Where an applicant has accessed the Australian Government Homeowner Insulation Program and is claiming the Victorian Government Solar Hot Water rebate for replacing an electric water heater documentary evidence of accessing the Insulation program must accompany the application.

STEP 4

Pay the installer the full supply and installation cost plus GST, less the rebate amount. Ensure that the rebate amount has been deducted and is clearly identified on your invoice as the 'Victorian Government rebate'.

STEP 5

The supplier will finalise your application using our online database and forward the completed and signed forms along with a copy of the customer invoice to Sustainability Victoria. The supplier will then be reimbursed by Sustainability Victoria upon receipt of a valid application. The supplier must claim the rebate from Sustainability Victoria within thirty (30) days of the installation.

REBATE APPLICANT RESPONSIBILITIES

The rebate 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 rebate 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 completed the Application Form correctly and completely.

GST

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 the cost of an installed system is \$3000 it will cost you \$3300 with GST. If the system attracts a rebate of \$1500, this is taken off at the end of the transaction and the cost to you will be \$1800. (No GST is applied to the rebate and the total GST liability for the supplier will remain at \$300 in this example).

WARRANTY

The manufacturer must provide a warranty on the major components of 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.

CHANGES TO THE REBATE PROGRAM

Sustainability Victoria may change the Rebate Program from time to time. Such changes can include changes to rebate values in response to availability of new incentives, adjustments to existing incentives or other market conditions. Sustainability Victoria will notify manufacturers and suppliers of the changes to the Rebate Program by email and on the Online Database. Changes to the Rebate Program are effective from the date of notice unless otherwise specified. Sustainability Victoria will also update its websites notifying of the changes.

Sustainability Victoria may also cease the Rebate Program and will provide notice of cessation to manufacturers and suppliers in the manner described above. Once a manufacturer or supplier has been advised of the date of cessation it will have thirty (30) days to return a Complete Application after which time the rebate will expire.

RESERVING REBATE PAYMENTS

A rebate amount is only guaranteed where a supplier or manufacturer has an Authorisation Number issued to it. Sustainability Victoria will reserve the Rebate Payment funds for each installation for a period of thirty (30) days after authorisation, by which time the installation must have occurred and the details of installation entered into Sustainability Victoria's Online Database. Sustainability Victoria may upon request and in its discretion grant an extension of the funds reservation period for up to additional thirty (30) days. Suppliers and manufacturers must then return all accurately completed Rebate Application Forms within thirty (30) days of installation.

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 to share rebate application information with other government departments and agencies.

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

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. Further details are provided on the Rebate Application Form. If you wish to seek access to the personal information which Sustainability Victoria holds about you, please contact us by writing to: privacy@sustainability.vic.gov.au. Sustainability Victoria's Privacy Statement is available from www.sustainability.vic.gov.au

