



EASTERN ALLIANCE
FOR GREENHOUSE ACTION

C/O - MAROONDAH CITY COUNCIL
BRAESIDE AVE
RINGWOOD VIC 3134

WWW.EAGA.COM.AU
03 9298 4250

28 August 2018

Hon Daniel Andrews
Premier
Department of Premier and Cabinet
1 Treasury Place
East Melbourne VIC 3002

Dear Premier Andrews,

Re: Solar Homes Package

The Eastern Alliance for Greenhouse Action (EAGA) welcomes the State Governments' commitment to investing \$1.2B in affordable renewable energy for Victorian households. However, we would like to raise a number of concerns regarding the Package, based on our recent experience in leading the delivery of local government's flagship low income solar program, Solar Savers.

EAGA is a formal Alliance of eight councils in Melbourne's East, committed to delivering mitigation and adaptation projects and advocating for initiatives that support sustainable, low carbon communities. Our members include:

- City of Boroondara
- Glen Eira City Council
- Knox City Council
- Maroondah City Council
- City of Monash
- City of Stonnington
- City of Whitehorse
- Yarra Ranges Council

EAGA urges the State Government to consider the following recommendations in further developing the Solar Home Package:

1. *Ensure Solar Savers participants are eligible to access the rebate*

Solar Savers is supported by the State Government through the New Energy Jobs Fund. The program currently utilises two finance options to overcome the financial barrier to low income households installing solar:

- **Council rates loan** - Councils directly fund solar installations from their existing budgets and recoup the costs through the *special charge mechanism* at 0% interest over 10 years.
- **Personal bank loan** - Bank Australia finance solar installations through a 4.75% interest rate personal loan, fixed for 10 years.

Under both approaches, there is zero up-front costs to the householder. However, we understand that this arrangement would preclude households from accessing the rebate under Solar Victoria's current eligibility criteria. Whilst this is an unfortunate and unintended consequence of a Package that has been developed confidentially in isolation, there is now a clear opportunity to align these programs and ensure equitable access to the rebate.

2. Improve the targeting of the program to prioritise low income segments of the community, particularly renters/landlords, through consultation with Local Government and other stakeholders delivering on-ground programs

We note that 90% of Victorian home owners will be eligible for a 50% rebate in the first instance, and under a re-elected Labor government, a 50% rebate and a no interest loan over 4 years. Eligibility is based on households with income below \$180,000 and a home valued below \$3 million. However, installations of solar PV systems are already at a record high. For most Victorians, the costs of solar PV are now attractive and compelling without additional rebates beyond the existing small-scale renewable energy certificates (STC's). We are of the view that this rebate could be better targeted towards those who need it the most.

Solar Savers is designed to remove barriers to low income households accessing the economic and environmental benefits of solar. One significant advantage of delivering Solar Savers through a local government partnership is that target households are easily identified via council rates databases. Solar Savers is, therefore, well positioned to assess households against Solar Victoria's eligibility criteria.

EAGA and the 25 councils delivering Solar Savers would like to work collaboratively with Solar Victoria to ensure that the learnings and insights from the delivery of the program can be effectively leveraged into the Solar Home Package. The interim evaluation report (completed August 2018) for the Solar Savers [program is available here](#).

3. Ensure installer training is coordinated with Clean Energy Council and Energy Safe Victoria to review and improve installation practices and safety standards

EAGA welcomes the additional \$9 million invested in installer training programs to up-skill 4,500 electricians to help deliver the roll out. This is a critical issue even at current installation rates with existing programs and community bulk buy schemes experiencing significant installer challenges, leading to lengthy time delays, safety and quality issues. These challenges are particularly acute in rural areas where CEC accredited retailers seek to use CEC accredited solar installers as subcontractors.

Auditing of solar installs in the Solar Savers program identified significant safety and technical issues within the solar industry in Victoria. Solar Savers has well developed systems and processes to ensure households receive high quality, well installed systems and that risks are actively managed on behalf of stakeholders.

EAGA and its Solar Savers partners would welcome the opportunity to work collaboratively with the State on a more coordinated approach, including:

- Development of a consistent framework for inspections of installations
- Engagement with industry to build awareness of inspection framework and the standards required to pass the checks
- A high ratio of inspections to ensure every installer is audited, particularly during the roll out phase

4. Work with distribution networks to provide greater transparency around local grid limitations and standardise connection processes across all Victorian network areas

With such significant investment in solar PV, it will be necessary to invest in solutions to improve the integration of solar in distribution networks. A number of participants within Solar Savers have already experienced significant difficulties with distribution businesses and had their systems export limited. Distributors are also delaying or prohibiting grid connections, citing voltage or frequency issues. It is critical that a shared approach is adopted to manage distributed resources and generation in a way that addresses problems whilst maximising benefits to generators and other customers.

5. Extend the solar hot water systems to solar connected heat pump hot water units

We note that the program also includes \$1,000 rebate on a solar hot water system. Research demonstrates that it is more efficient for a household to maximise its roof space for solar PV and to install an electric heat pump hot water system, instead of a solar hot water system.¹

If you have any questions or queries relating to this letter, please contact Scott McKenry, EAGA Executive Officer, on scott.mckenry@maroondah.vic.gov.au or 03 9298 4250.

Yours sincerely,



Cr Josh Fergeus
Executive Committee Chair
Eastern Alliance for Greenhouse Action
Councillor, City of Monash



This submission has been approved through EAGA's formal governance structure as described in the EAGA Memorandum of Understanding 2017-21. The submission may not have been formally considered by individual member councils.

¹ http://www.ata.org.au/wp-content/projects/Household_fuel_choice_in_the_NEM.pdf