



13 September 2018

Premier Daniel Andrews MP
Office of the Premier
1 Treasury Place
Melbourne, Victoria
Australia, 3002

Dear Premier,

The Northern Alliance for Greenhouse Action (NAGA) welcomes the State Governments' commitment to investing \$1.2B in affordable renewable energy for Victorian households.

NAGA is a network of nine northern metropolitan councils operates across metropolitan region of Melbourne working to achieve significant emissions abatement and energy cost savings by delivering effective programs and leveraging local government, community and business action. Our council members include Banyule City Council, Darebin City Council, Hume City Council, Manningham City Council, City of Melbourne, Moreland City Council, Moreland Energy Foundation Limited, Nillumbik Shire Council, City of Whittlesea and the City of Yarra. NAGA formed in 2002 to share information, coordinate emission reduction activities and cooperate on research and develop innovative projects.

In the spirit of wanting to ensure the success of Solar Victoria, we would like to suggest the following improvements, based on our recent experience in leading the delivery of local government's flagship low income solar program, Solar Savers:

Prioritise low income segments of the community, particularly renters/landlords, through consultation with Local Government and other stakeholders delivering on-ground programs

While the rebate is designed to be widely available to households, we note that the costs of solar PV are now attractive and compelling without additional rebates beyond the existing small-scale renewable energy certificates (STC's). However, significant proportions of the community are being left behind in the solar revolution; consequently, we believe the rebate could be better targeted towards those who need it the most.

This could involve lowering the level of financial eligibility or setting aside a portion of the total package to directly address the split incentive issue between renters and landlords, as well as to invest in innovative models to unlock access for those who cannot install solar on site.

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

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.

We note that 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 and consequently, political risk for the government. These challenges are particularly acute in rural areas where CEC accredited retailers seek to use CEC accredited solar installers as subcontractors. To this end, we welcome the additional \$9 million invested in installer training programs to up-skill 4,500 electricians to help deliver the roll out.

We would be keen to draw on our experience running Solar Savers to work collaboratively with the State on:

- 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; and
- ensuring high ratio of inspections to ensure every installer is audited, particularly during the roll out phase.

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.

In addition, we would seek that the program be structured in such a manner that Solar Victoria works with local governments implementing Solar Savers to pay-out the special levy debt in bulk, i.e. Solar Victoria pays the rebate to councils in bulk on receipt of the relevant information (e.g. group certificates, rates notices, proof of installation etc.). Councils would then pay the household debt, which would provide the Victorian Government with significant numbers of processed rebates.

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.

Please contact me (david@naga.org.au) if you would like further information, case studies or any clarification regarding the issues raised in this letter.

Yours sincerely

A handwritten signature in black ink, consisting of a stylized 'D' followed by a series of loops and a long horizontal line extending to the right.

David Meiklejohn
Executive Officer

The views represented in this submission do not necessarily represent the views of all NAGA members individually.