

MR Steve Palthorpe
A.G.O

17Th April, 2003

Dear MR Palthorpe,

RE: Submissions for the MRET review.

Please find following some issues we feel should be considered in relation to the Renewable Energy Certificate system for solar hot water systems.

Issue One.

We feel that there exists a significant risk to the integrity of ORER, in relation to the REC program. This is in relation to REC's created from solar hot water systems. This risk comes from the fact that the number of REC's created from eligible solar hot water installations are based on a projected life span of ten years for that solar water heater.

The problem, we see with this is that should the system not reach ten years life span there exists a situation where over creation of REC's would have already taken place. This in turn will reflect poorly on the ORER and the REC program. This could indeed damage the integrity of ORER and the entire REC program as well as the solar industry as a whole.

We propose the solution to this could possibly be that any eligible solar system should not only have its REC rating based on performance but also on the length and type of product warranty that is offered by the manufacturer.

Should this proposal be adopted it would be fair and equitable to all concerned and will protect the integrity of ORER, not to mention benefiting the end user.

Issues to consider in adopting this proposal.

Type of product warranty	-Full or pro rata replacement warranty
	-Length of warranty
	-Length of full warranty
	-Length of pro rata warranty
	-Warranty Exclusions i.e., water quality.
	-Labour and transport exclusions.

After careful consideration we feel that any eligible solar water heater should have a minimum of 10 years product warranty. If the warranty is less than 10 years the eligible REC's should be adjusted accordingly.

Example : Eligible solar in zone 3 worth 20 RECs with full 10 year product warranty would keep its current REC value. If the same solar only had a 5-year full product warranty it's REC value should be adjusted to 10 REC's. (½ the required warranty required gives ½ the REC value)

Issue Two.

The present situation is that clients who wish to upgrade from gas hot water systems to solar are excluded from creating any REC's. This is even though there is significant environmental damage from using gas to heat the water.

Perhaps if gas systems were included in the REC program then it would mean that the gas supply company's responsible for the gas who are also damaging the environment. (Like the electricity producers some of which burn gas to create electricity)

In our opinion the gas company's should also be held accountable for their green house gas emissions like the electricity company's are.

These extra REC's would go a long way in contributing to the future numbers of RECs required to meet the minimum renewable energy target. Not to mention the benefits to the environment and conservation of our natural resources.

Issue Three.

Solar water heaters compliance to Australian standards and its relationship in protecting ORER's integrity.

For a solar hot water system to be eligible for REC's it must comply with AS2712.

As you might be aware the solar systems performance data collected while testing for compliance to AS2712 is also used to calculate the number of REC the solar hot water system is eligible for over a 10 year life span (see issue one) in the different climatic zones with Australia.

Bearing this in mind there exists conflict of interests when the testing officer's direct income is closely related to the product that he/she is testing.

This situation arises when the manufacturer has their own in-house testing facilities and approved testing officer who is in the direct employ of the manufacturer.

If the testing in relation to the product's efficiency is not carried out by an external and fully independent testing officer and facility that is physically different to the manufacturer's location, the situation may arise where by the integrity of the solar systems performance results may in fact be questioned.

This situation could in turn reflect poorly on the integrity of ORER and the REC program and all those involved.

We would suggest that any manufacturer who has carried out its performance testing in its own facility should have its product's solar performance re tested by an independent external testing facility as already described.

The products that are to be re tested should perhaps be taken off the shelf from other than the manufacturer's factory and or testing facility.

Doing this would remove any possibility of impropriety in relation to the total system's solar performance results. This in turn will provide a true and correct REC figure that would be indisputable.

Thank you for your time and consideration on these matters and we look forward to your comments.

Yours sincerely

David Stannard
Technical Manager
Sola Kleen.