

# Renewable Energy Certificates (RECS)



**Solar hot water systems are now much more affordable as a result of a government initiative, Renewable Energy Certificates (RECs): electronic certificates that represent blocks of energy generated from renewable sources. RECs can be sold to energy retailers or other agents to obtain a rebate of up to \$1000. RECs are created through the Commonwealth Renewable Energy (Electricity) Act 2000, to reduce greenhouse gas emissions from the use of electricity.**

## WHY DO WE NEED RECS?

Under Commonwealth Government legislation, electricity retailers and other wholesale purchasers of electricity are now required to source a target amount of energy from renewable energy sources, (or in the case of solar hot water, the displacement of non-renewable electricity) or pay a shortfall fine.

This national obligation is met by purchasing RECs, which represent registered renewable energy generation. The market value of RECs may vary, as they can be traded between companies and individuals like shares. Each electricity retailer must surrender RECs each year to the Office of the Renewable Energy Regulator (ORER).

## AM I ELIGIBLE TO RECEIVE RECS?

You are eligible to receive a fixed number of RECs if you install an approved\* solar water heater and the system:

- is installed in a new dwelling; or
- is the first installation of a water heater in an existing building; or
- is replacing an existing electric hot water system; or
- is replacing an existing electric boosted solar hot water system with a more efficient model.

If you have installed a new solar water heater to replace an older, less efficient electric-boosted solar water heater, the number of certificates for which the system is eligible will be the difference (i.e. number of RECs) between the existing and new solar water heater.

To be eligible, RECs must be created within 12 months of the system installation date.

\* Approved solar hot water systems are listed in the Renewable Energy (Electricity) Regulations (see [www.orer.gov.au](http://www.orer.gov.au) for a list of approved systems).





# Renewable Energy Certificates (RECS)

Of course, you can also receive RECs for other forms of registered renewable energy generation, for example installing a solar power (photovoltaic) system on your roof. For more information on RECs for other forms of renewable energy generation, contact ORER.

## HOW MANY RECS CAN I CLAIM?

RECs for solar hot water are bundled, that is, you receive one allocation of RECs based on the electricity displacement over a 10-year period.

The number of RECs you can claim is determined by:

- Where you live (climate zone).
- The performance of the system as listed in the regulations.
- Whether the system is a new installation or replacing an existing electric or solar system.

Talk to your solar hot water retailer about the exact number of RECs you can claim, or visit the ORER website for more information:

[www.orer.gov.au](http://www.orer.gov.au).

## HOW DO I CLAIM MY RECS?

There are two ways to claim RECs:

- Directly assign your RECs to the hot water retailer or third party, who will then reduce the cost of the system by the appropriate amount. For a 300 litre system (this is a typical size system), this may amount to up to \$1000 or more. A list of registered agents, (people or companies to whom you can assign your RECs, in return for a cash payment) is available on the ORER website ([www.orer.gov.au](http://www.orer.gov.au));  
or
- Complete a registration form – from the Office of the Renewable Energy Regulator (ORER), pay a \$20 registration fee and then sell your RECs online to a buyer (visit [www.orer.gov.au](http://www.orer.gov.au) for further information).

## WHERE CAN I FIND MORE INFORMATION ABOUT RECS?

Australian Greenhouse Office [www.greenhouse.gov.au](http://www.greenhouse.gov.au).

Office of the Renewable Energy Regulator [www.orer.gov.au](http://www.orer.gov.au)  
or 02 6274 2192

Energy Smart Information Centre [www.energysmart.com.au](http://www.energysmart.com.au) or 1300 138 638.

## FURTHER INFORMATION

Telephone the Energy Smart Information Centre: 1300 138 638  
or 02 8281 7777 (callers outside NSW)

Monday to Friday 9am-5pm

Visit [www.energysmart.com.au](http://www.energysmart.com.au)

*The Energy Smart Information Centre is a free advisory service provided by the NSW Government. Energy experts can provide information on a wide range of topics.*

