

Solar Savers Adelaide

Public Consultation – Declaration of Separate Rate

Your Say
Adelaide

Project Information

Introduction

Solar Savers Adelaide involves the City of Adelaide providing up front funding for the purchase and installation of solar photovoltaic (PV) energy systems on eligible low-income and rental residential properties. Participating properties will have a ~2kW solar PV energy system installed on their property and Council will recover the costs from participating property owners for facilitating the supply and installation of the solar PV systems through a separate rate charge.

[This document provides information as part of a public consultation process on the declaration of a separate rate.](#)

Objectives of the Solar Savers Adelaide Program

South Australia is experiencing an increase in the frequency, intensity and duration of heat waves. As energy prices continue to rise, vulnerable and low income members of the community are often forced to consider whether they are able to afford the energy costs associated with air conditioning. An increase in heat waves can pose significant health and financial impacts for households that are trying to maintain healthy indoor temperatures.

There are several barriers to the installation of solar PV systems for low income and rental households. These include access to upfront capital to purchase and install the solar PV systems; lack of clarity and trust in the solar market; and a split incentive between landlords and tenants, where landlords pay for the solar PV systems, while the tenant benefits from its installation. The Solar Savers Adelaide Program was designed in an attempt to overcome some of these barriers and to encourage the increased uptake of solar PV in residences within the City of Adelaide.

The objectives of the Solar Savers Adelaide Program are to:

- Increase community resilience to climate change, particularly through access to affordable energy for heating and cooling;
- Assist residents to reduce electricity consumption and costs;
- Reduce barriers to accessing solar PV for low income households and rental properties; and
- Reduce City carbon emissions through increased installation of renewable energy.
- Support sustainable development in the City of Adelaide.

Timeline and key steps

Below is an outline of the key steps of the Program and the anticipated timeframes:

Step 1: Registration of interest

- In April 2016, Council sought registrations of interest and feedback from residents and landlords for Solar Savers Adelaide. We received 279 responses, with 147 residents and 132 landlords registering their interest in participating in the Program should it go ahead.
- Community feedback indicated that:
 - The community are concerned about the current and rising cost of electricity bills, with many residents saying it prevents them from using air-conditioning in hot weather;
 - The concept behind Solar Savers Adelaide has broader support and interest beyond those currently eligible for the program;
 - Cost and lack of knowledge are the major deterrents for residents to install solar PV systems;
 - Those who regularly find it difficult to pay their bills were significantly more likely to attribute up-front costs of solar panels as the main reason for not installing solar; and
 - Over three-quarters of respondents are motivated to be a part of Carbon Neutral Adelaide.

Step 2: Council endorsement of Solar Savers Adelaide

- On 11 October 2016, Council endorsed the Solar Savers Adelaide Program.

Step 3: Eligibility assessment for participation in Stage 1 of Solar Savers Adelaide

- In January 2017, Council contacted each of the respondents who expressed an interest in Solar Savers Adelaide to determine their eligibility for Stage 1 of the Program.
- In order to ensure a transparent and robust selection process, eligibility criteria were designed to identify eligible low-income owner-occupier properties, as well as eligible rental properties to include in Stage 1 of the Program.
 - Owner-occupiers were required to demonstrate that they either i) hold a Commonwealth concession or pension card; or ii) receive an income-tested Commonwealth Centrelink payment; or iii) demonstrate that their household pre-tax income is ≤\$915 per week and that ≥30% of weekly household income is spent on mortgage repayments.

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- Rental properties had to demonstrate that they were private residential rental properties, and that the property owner provided consent to participate in Solar Savers Adelaide.

Step 4: Selection of Stage 1 participants

In March 2017, Council selected participants that are eligible for Stage 1 from the list of persons who registered their interest in Step 1 and based on the information provided in Step 3.

Step 5: Selection of solar system provider and installer

In March 2017, Council selected South Australian Company Homeworks Co Pty Ltd (trading as Cool or Cosy) as the solar system provider and installer through a competitive tender process.

Step 6: Pre-installation site visits and quotations

In April and May 2017, Cool or Cosy will be undertaking pre-installation site visits to assess the suitability of the property for a solar system and to provide a property-specific quotation.

Step 7: Public consultation and energy awareness – Current step

- A public consultation process will take place to allow all potential participants to engage with Council and our delivery partners, Cool or Cosy, in order to ask any questions that they may have about the Program and to provide feedback.
- Council will also be providing specific energy awareness and advice at key stages throughout the Program.

Step 8: Agreement to participate in Solar Savers Adelaide

- Once the property owners have decided that they are happy with the quote and would like to participate in the Program, they will sign a contract with Council and Cool or Cosy (by end of May 2017).

Step 9: Council endorsement

- In June 2017, Council will consider endorsing the separate rate mechanism for each specific property that has agreed to take part in Solar Savers Adelaide.

Step 10: Installation of solar systems

- The solar systems will be installed by Cool or Cosy from July 2017 onwards and the separate rate will be levied after installation.

Future steps:

- Council will work on the development of future stages of the Program and a broader community solar bulk-buy.

Council approved Solar PV Energy System

Council undertook a competitive tender process to select a quality solar PV energy system supplier and installer. Only Clean Energy Council approved photovoltaic modules and inverters were considered, with a minimum product warranty of 10 years for the panels, inverter, mounting and installation. Installers were required to provide proof of Clean Energy Council accreditation; relevant building and electrical contractor licenses; as well as attendance at roof safety training courses. Police checks were also required as part of the tender; and the installers are required to comply with all relevant local, state and Commonwealth Government statutory and regulatory requirements.

South Australian Company Homeworks Co Pty Ltd (trading as Cool or Cosy) was selected as the solar PV energy system supplier and installer. The following components were selected:

- Tindo Solar Karra 265 PV module (made in South Australia)
- Choice of two different inverter options:
 - Enphase micro-inverter S230; or
 - Zeversolar Zevelution 2000S string-inverter
- Clenergy Australia PV-ez Rack mounting systems
- Solar Analytics Energy Monitoring System

Expected cost of the Solar PV Energy System

A quote will be provided to participating properties by Cool or Cosy following a household visit, which will provide the property-specific total cost. This will include the cost of the solar PV energy system as well as property-specific installation costs, such as non-standard mounting, meter upgrade, switchboard upgrades (if required) etc. Quotes for two different inverter options at different price points will be provided.

Council will be providing a \$1,000 upfront rebate on the cost of the solar PV energy system, from our Sustainability Incentives Scheme. Council will also bear the administrative and program costs, which are estimated to be approximately \$250 per solar PV energy system; as well as the costs of the Solar Analytics energy monitoring system at \$417 per household.

The actual property-specific separate rate charge will be calculated proportionately based on the cost of the system, the cost of installation at the property, the cost of a meter upgrade as well as any other property specific installation requirements.

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An interest rate of 3.55% will be applied to the total cost of the system and fixed repayments will be made on a quarterly basis over a period of 10 years. The fixed quarterly instalment for a 2kW system is expected to range between \$72 (for a string-inverter) and \$96 (for a micro-inverter), based on an estimated total cost including interest of between \$2900 (for a string-inverter) and \$3850 (for a micro-inverter) per standard system installation. A property-specific quotation will provide the household with the exact total cost as well as the fixed quarterly instalments to be paid through the separate rate.

What is a Separate Rate?

Solar Savers Adelaide has been designed to use a separate rate that is charged to the land, and is paid off by participating property owners in quarterly instalments over a 10 year period. The separate rate charge avoids households paying an up-front cost for solar; and allows Council to recover the cost for the supply and installation over a longer time frame. The principle of the Program is that households are forecasted to save more on electricity bills than they will pay for the solar panels each year over the 10 year period.

The separate rate is permitted through *Section 154 of the South Australian Local Government Act 1999*. As with other rates declared by Council, once a separate rate has been declared under the *Local Government Act*, it becomes a statutory charge against the land.

Who will be impacted by the Separate Rate?

The separate rate charge will only be applied to properties that have:

- Registered interest to take part in the Program and met the Program eligibility criteria; and
- Signed an agreement with the Council that enables the Council to facilitate the supply and installation of an approved solar photovoltaic system by a contractor approved by the Council.

The separate rate will remain with the land for the duration of the 10 year period, regardless of whether the system remains at the property, or if the property is sold, as the rate is levied to facilitate the supply and installation at the property.

It is estimated that approximately 50 properties within the City of Adelaide are likely to be subject to the separate rate in Stage 1 of the Program; however the exact number will be confirmed prior to the declaration of the separate rate by Council.

Providing feedback

Members of the public are invited to provide feedback on the declaration of the separate rate charge by either:

- **Attending a Public meeting:**
 - Monday 8 May 2017, 5:30pm at the North Adelaide Community Centre Hall, 176 Tynte Street, North Adelaide; or
 - Thursday 11 May 2017, 6:30pm at the Minor Works Gallery, 22 Stamford Court, Adelaide

The public meeting will outline the scheme and invite feedback to be provided on the declaration of the separate rate. It will also allow all potential participants to engage with Council and our delivery partner, Cool or Cosy, in order to ask any questions;

OR

- **Providing written submissions to be received by 5.00pm on Thursday 18 May 2017**
 - Via Email: solarsavers@cityofadelaide.com.au
 - Drop off: City of Adelaide Customer Service Centre, 25 Pirie Street, Adelaide

Project Contact Person

For more information, please contact:

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Title: Sustainability Projects Officer

Phone: 8203 7203

Email Address: solarsavers@cityofadelaide.com.au

Frequently Asked Questions

Why was Cool or Cosy selected?

Cool or Cosy met all of Council's requirements for a trusted and quality solar PV energy system supplier and installer. Cool or Cosy is a family-owner South Australian Company that is based in Torrensville, Adelaide. Cool or Cosy was established in 1984 and is a leading supplier of solar systems in South Australia. They are solar retailers, manufacturers and wholesalers and are a RAA member partner. The Cool or Cosy installation crews are fully licensed and endorsed by the Clean Energy Council. For further information on Cool or Cosy, please visit their website.

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Cool or Cosy recently bought Tindo Solar, a wholly Australian owned and operated company founded in 2011 that designs and manufactures technologically advanced solar panels for Australian conditions. Tindo solar panels are manufactured in South Australia, which lowers the carbon footprint of the product and creates local economic opportunities. Tindo solar PV panels have been selected as the solar panels to be installed in the Solar Savers Adelaide program.

Is Battery storage included in the Program?

No, battery storage is not included in Stage 1 of the Solar Savers Adelaide Program.

Will the inverters be battery-ready?

Inverters installed as part of the solar PV energy system convert direct current (DC) from the solar panels to alternating current (AC), which is used in a home. In a battery storage system that stores grid and/or solar power, the inverter needs to be able to route DC power into the battery for charging, and to convert AC power to DC power. Most solar inverters are not built to do this, however they can be AC coupled with a battery control system later on, which allows for this functionality. A hybrid inverter is an inverter that does all this in one go. If you intend to install a battery storage system straight away, a more expensive hybrid inverter may make sense.

However, if you are only considering installing a battery storage system in the future, it may make sense to wait until you are ready to purchase a battery, as technology and future compatibility may change over a few years. You may also need to consider increasing the number of solar PV panels in your solar PV energy system, as the leftover electricity generation from a 2kW system is not likely to warrant the cost of a battery system. The two different inverter options (and your roof configuration) then become important.

- If you have a string inverter, which is suited to match a certain capacity (i.e. 2.1kW), and you increase the number of solar panels, you may need to upgrade your inverter when you buy a battery system.
- If you have micro-inverters, which are individual inverters per panel, then each time you buy a new panel you are increasing the capacity of the overall inverters.

How was eligibility for Stage 1 of Solar Savers Adelaide defined?

To be eligible for Stage 1 of Solar Savers Adelaide, participants would need to have registered interest in April/May 2016 and met our

eligibility criteria. As part of proving eligibility, supporting documents were required to ensure a transparent and robust selection process. The eligibility process has now closed and the initial group of Stage 1 participants has been selected.

How were the criteria to determine eligibility developed?

Owner-occupiers were required to provide evidence that they qualify as low income. We have used existing income-tested measures, such as Commonwealth Concession/Pension cards; or Commonwealth Centrelink payments as a means to provide this proof. Should an owner-occupier not hold any Commonwealth Concession/Pension cards, or receive Commonwealth Centrelink payments, they are also able to prove their low income status by demonstrating that:

- Their household weekly income is less than 80% of the median income for the Adelaide City Council (calculated to be \$915.20), AND that
- More than 30% of weekly household income is spent on mortgage payments.

Rental properties were required to be private residential rental properties (not serviced apartments), and the property owner needed to provide consent to participate in Solar Savers Adelaide. Rental agreements were requested as proof that the property is currently rented.

For rental properties - will landlords be able to increase rent to recoup the costs of the solar panels?

There are certain protections available to tenants under the *Residential Tenancies Act 1995* that affect whether statutory charges, such as Council rates, can be passed on to tenants. Decisions about the cost of rent payable by a tenant are ultimately matters between the landlord and tenant that must be dealt with in accordance with the terms of individual leases and that Act.

What if I am not eligible to take part in Stage 1 of Solar Savers Adelaide?

If you are not eligible for Stage 1 of Solar Savers Adelaide, you may be able to participate in:

- Future stages of Solar Savers Adelaide, which are being developed by Council;
- The community solar bulk buy scheme (later in 2017/2018); or
- The Adelaide City Council [Sustainability Incentive Scheme](#).

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Submission Form

Submissions close 5pm, **Thursday 18 May 2017**. Submissions can be provided:

- Via Your Say: <http://yoursay.cityofadelaide.com.au/solarsavers>
- Via Email: solarsavers@cityofadelaide.com.au
- Drop off: City of Adelaide Customer Service Centre, 25 Pirie Street, Adelaide (addressed to Solar Savers Adelaide)

It is Council's policy that for a formal submission to be received it must include your name and residential address. Formal submissions will be provided to Council and will be a publically available document. Mandatory information is marked with an *asterix

* First Name _____ * Surname _____

* Residential Address _____

E-Mail _____

If a Business or Organisation, Organisation Name _____

Gender Female Male Other _____ Year of Birth _____

Are you a City of Adelaide Ratepayer? Yes No

Please tell us how you participate in city life (tick all that apply):

- Work Live Shop Play (e.g. Leisure, recreation, entertainment, dining)
- Study Tourist Own a Business

Please indicate your main areas of interest (tick all that apply):

- Council Services & Programs Open space & Recreation City Design, Planning & Development
- New & Future Projects Social & Community Issues Policy, Budget & Management Plans
- Environmental Issues Arts & Events in the City

Please indicate locations that are of interest to you as per the map to the left (tick all that apply):

- North Ward Central Ward South Ward

[Your Say Adelaide](#) is Council's online consultation website. It is your chance to be kept up-to-date and provide feedback on areas of the City that interest you. Would you like to be signed up to Your Say Adelaide online and be emailed when there is an opportunity to have your say on areas that are of interest to you?

- Yes No

Please Note: If you've ticked Yes, you will receive an email to your nominated e-mail address above to confirm your new account.

