Darebin Solar Saver

Frequently Asked Questions

GLOSSARY

About solar – getting started

- 1. Why go solar?
- 2. How does solar work?
- 3. Who can apply?
- 4. How do I apply?
- 5. Is solar the best option for my house?
- 6. What sort of system will I need?
- 7. Will the installation require significant modifications to my home?
- 8. What about batteries?
- 9. Will I need a permit?
- 10. Will my smart meter be compatible with the solar system?

About our solar programs - making a decision

- 11. What is the Solar Saver Program?
- 12. What is the Solar Bulk Buy Program?
- 13. What are the differences between Solar Saver and the Solar Bulk Buy?
- 14. How much will it cost?
- 15. How much money will I save?
- 16. How long will it take to get my system installed?
- 17. Why is there a delay for Solar Saver installations?
- 18. What are the steps involved for me?
- 19. Are there any reasons why I wouldn't be able to get solar?
- 20. How do I pay off my system over time?
- 21. What are details of the systems being offered?
- 22. Who will install the systems?
- 23. Does the system come with warranties? How long will my system last?
- 24. What is the Authority to Release Information to Third Parties form for?
- 25. What about insurance?

After installation

- 26. What happens with my power bills?
- 27. Are there other ways that I can make my house more energy efficient?
- 28. Do I need to clean or maintain the panels?
- 29. What happens in the event of a power failure?
- 30. What happens if I sell my house?
- 31. Who I do contact with further questions?

Information for landlords

- 32. What are the benefits of Solar Saver for landlords?
- 33. Are Solar Saver payments tax-deductible?
- 34. What else do I need to know as a landlord?





Why go solar? generating your own solar electricity, you'll be saying on your energy hills. By installing

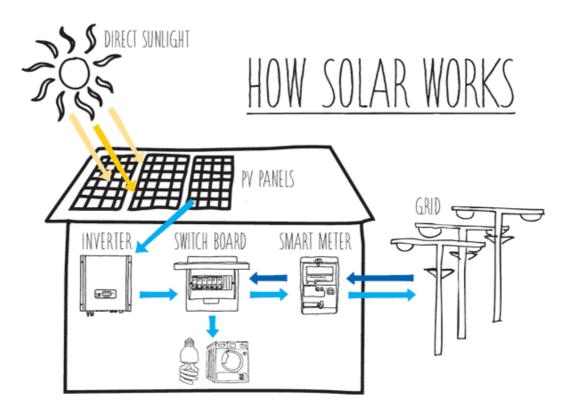
By generating your own solar electricity, you'll be saving on your energy bills. By installing local, clean energy, you'll also be helping to keep our air clean and our climate safe. Council has set a target to double Darebin's solar energy generation over the next four years — so you're also helping us as a city to reach our goals.

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2. How does solar work?

1.

Solar panels on your roof convert energy from sunlight into direct current (DC) electricity. The DC power is then transformed by the inverter into alternating power (AC), which is used in your house or exported to the grid. Your smart meter records energy being imported from and exported to the grid. For the electricity you export to the grid, you get paid by your energy retailer – this is called a feed-in tariff. The minimum feed-in tariff is currently 11.3 cents but is about to change – see Question 25. Generally, you pay more than this for the energy you buy from the grid. This means that generally, the more of your daily power usage happens during the day, the more financial benefit you will get from solar.



You can find out more about solar on our website.



3. Who can apply?

Our solar programs are open to all households, businesses and organisations in Darebin. Anyone can apply as long as:

- The property is in Darebin.
- You are the property owner OR you have their permission (we can help you if you haven't yet had that conversation with your landlord, owners' corporation or housing provider)

There are some extra considerations for some applicants:

Renters

- You will need permission from the owner of the property. The owner of the property will need to agree to make the additional 'special charge' payment applicable to the Solar Saver program. We can help you with this.
- If you are in social please let us know. We may be able to work with your housing provider.
- If you are public housing we won't be able to include you this time but we will keep you posted if that changes.

People living in flats, units and apartment buildings

- For many apartment buildings, flats and units, your roof is part of what is called a *common area*. Each property has equal share to the roof space.
- Solar power systems cannot be shared across separate apartments.
 Individual solar systems are required for each apartment wanting to access the solar power.
- If your roof is a shared space you will need permission from your Owners' Corporation.
- We recommend that you get this permission in writing, and that you
 forward this to us to keep with your records (however that is not a
 requirement to participate in the program).
- There may not be enough space for each and every apartment to install solar PV panels.
- We recommend you start a solar conversation with your neighbours as soon as possible. We can help you with this.
- Some advice on talking to your Owners' Corporation:
 - Ask to put solar on the agenda at your next Owners' Corporation meeting.
 - Think about how you can communicate with other owner's before the meeting – do you have a group Facebook page, an email list, or phone number for your fellow owners? Or could you put up a notice on a noticeboard or drop a note into their letterboxes? If you need help with this, please ask us – we can provide a template or point you to appropriate materials. This FAQ could be a good start.
 - If you don't already attend Owners' Corporation meetings, find out how many owners usually take interest and what quorum is (how many people do they need to attend to make a decision)?



- Keep the communication positive. Your neighbours and/or other owners may also be interested in our solar program too – share our website with them www.darebin.vic.gov.au/solar
- o If you want to read more about sustainability for multi-residential buildings check out these resources from the City of Melbourne.
- o If you need help, please ask us.

DAREBIN the place to live

Back to top

4. How do I apply?

You can register your interest by completing the online form at www.darebin.vic.gov.au/solar

If you don't have access to the internet we can complete this with you over the phone. You can ask for an interpreter if you would like help in your language.

By registering your interest you *are likely to* be offered a free, **no-obligation quote** for solar to be installed. Council **cannot guarantee** you will be accepted into the program.



5. Is solar the best option for my house?

Solar is now financially beneficial for nearly every household.

When you apply for one of our solar programs, our solar provider will first do a desktop assessment using satellite imagery to see whether solar is suitable for your roof. They may also ask you about the amount of direct sun reaching your roof.

While facing due north is the ideal orientation for maximum solar generation, other orientations can also work. They may be a little less efficient than north-facing panels, but for most households, it will still be more than worthwhile to install solar. West-facing panels may even generate more power during the times you use the most.

You may also have heard that the angle of your roof is important. The optimum angle is 20–25 degrees, however if you have a flatter roof, an adjustable tilt frame can be installed to bring the panels up to the ideal angle.

If solar is a viable option for your house then a free, **no-obligation quote** will be arranged. Our solar provider will come to your property to double-check your roof and discuss the quote with you.

Back to top

6. What sort of system will I need?

There are different sizes* of system being offered through our next solar program, varying from approximately 1.5kW (6 panels) – 10kW (36 panels).

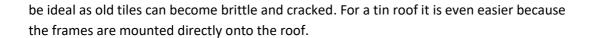
The solar provider will talk to you about what system will fit on your roof and best meet your needs. With the current (and new) feed-in-tariff, generally the rule of thumb is now that the bigger your system, the more efficient and the greater the financial savings.

Back to top

7. Will the installation require significant modifications to my home?

No. Solar PV systems are typically installed with minimal modification to your house. The frames for the solar panels are usually incorporated into your existing roof, and the cables run inside the roof and walls where possible. Sometimes a special kind of mounting called a tilt-frame is needed, which may add to the cost but will not affect your roof.

For a tiled roof, some of the tiles are removed, brackets attached to the rafters in the roof, and then the tiles go back into place. Having spare roof tiles handy during installation would





Back to top

8. What about batteries?

For most Darebin households, batteries are not yet as financially beneficial as solar PV alone. For most households, it is likely that it would take about 10 - 15 years before a battery would 'pay for itself'. At this stage Council is recommending that households install solar now, so you can start getting the benefits.

The Solar Saver program does not include batteries, however, if you purchase your solar system through the <u>Solar Bulk Buy</u> program by paying up front, you *may* be able negotiate a battery with the provider for a higher price.

If you buy solar now, in most cases you can add batteries later when they become cheaper, however you may need additional equipment and ensure additional works do not void the warranty.

Council will continue to closely watch market prices and value of installed battery packages and provide advice accordingly.

Read more from Positive Charge about solar batteries.

9. Will I need a permit?

Unless you are in a heritage area or your property is a listed heritage building, you won't need a permit. Generally, even if you are in a heritage area, if your panels are not visible from the street (or a public park) you won't need a permit. Usually only about 3% of Darebin applicants need a permit, and if you are one of them, we will guide you through that process, pay for your permit, and submit the paperwork on your behalf.

10. Will my smart meter be compatible with the solar system?

Yes. Smart meters are designed to be compatible with rooftop solar systems. They will regularly measure the power sent to the electricity grid from your panels. When your solar system is installed your Electricity Distributor Network (CitiPower, Jemena or AusNet) will reprogram your meter remotely so that the smart meter knows you have a solar system. There will be a small, one-off fee for this service — usually in the order of \$50-100, which will be added to your next electricity bill. If you are concerned about this fee please talk to us.

11. What is the Solar Saver Program?

The Solar Saver program helps Darebin residents, organisations and businesses to install solar photo voltaic panels. Council pays the up-front cost of the system (including installation) and the ratepayer pays the cost back over 10 years, interest-free. All systems come with a 10 year warranty on all parts and and installation, and a 25-year performance warranty on the solar panels.

See also What are the details of the systems being offered?

Back to top

12. What is the Solar Bulk Buy Program?

The Solar Bulk Buy program is the same as the <u>Solar Saver</u> program except that you pay the up-front cost of the system (or organize your own loan). Participants benefit from knowing Council has done the homework to make sure you can access:

- A reliable supplier and installer
- Quality panels and inverters
- Extended warranties
- A discounted price.

In other words, you get the benefits of solar, value for money and peace of mind.

Back to top

13. What are the differences between the Solar Saver and Solar Bulk Buy programs?

There are four main differences between the two programs

- With Solar Saver, Council pays the up-front cost. With Solar Bulk Buy, you pay the up-front cost (or arrange your own loan).
- Solar Bulk Buy prices are 10% higher because they are GST-inclusive. (Whereas GST is not payable in the Solar Saver program.)
- Solar Saver installations will not occur until at least January 2019.
 (see also <u>How long will it take to get my system installed?)</u>
- With the Solar Bulk Buy, there may be some opportunity to negotiate with Council's solar supplier for modifications to your system (such as a different inverter or inclusion of a battery) – however this is at the supplier's discretion.

Back to top

14. How much will it cost?

Don't forget that if you are participating in the Solar Saver program, you will not pay any up-front cost at all for the system or associated works. You will pay a small additional charge (called a Special Charge) each quarter – and your electricity savings should more than make up for these charges. See "How much will I save?"



the place to live The only out-of-pocket expense for you will be the connection fee through your energy retailer (this includes remote programming of your smart meter) – usually in the order of \$50-100, which will be added to your next electricity bill. Talk to us if you are concerned about this fee.

The cost of your solar system will vary depending on:

- The size of your system
- The type of house/building you have (i.e. one storey vs higher)
- Whether you need a special mounting system (which depends on what type of roof you have angled or flat, tile or tin etc)
- Whether you need any additional/complex works completed, namely
 - If you don't have a smart-meter you will need a new one installed, and this could cost \$400-500 (this is extremely unlikely to be the case).
 - o If your switchboard needs to be replaced in order to meet the requirements of your solar system you may need to pay \$800-1000 for a new one. Currently only minor additions to your switchboard can be made through the program (e.g. the addition of an extra switch); you would need to arrange a full replacement yourself if required. You should seek an assessment and quote from an electrician for this before proceeding and be aware that they may discover a need for rewiring, which can be very costly.
 - Whether you need a 'split array' that's when you need to spread your panels across multiple sides of your roof or roofs of different buildings.
- Which program you participate in (Solar Bulk Buy prices are 10% higher due to GST).

Indicative price-ranges are included below – these cover the range for standard installations and for two-storey houses and special mounting systems. The prices could be higher if you need additional or complex works as described above.

The exact cost will be determined by our solar provider when they visit your property to do an assessment. They will check whether any of these upgrades are applicable to your household. If upgrades are required, your quote will be adjusted accordingly.

Back to top

15. How much money will I save?

These programs are designed to save you money. The exact amount of savings will be different for each participant and depend on:

- How much electricity you currently use, when you use it, and what you pay for it
- The size of the solar system you choose
- The feed-in tariff (the price you get back when your excess energy goes back into the grid currently 11.3 cents this about to change see Question 25)
- Which program you participate in.

We will give you an indication of what you might save in a year in the not too distant future. We are still working out details of the size (kW) systems that will be available for installs in 2019.

Back to top



the place to live

16. How long will it take to get my system installed?

Solar Saver installations will take place from January 2019 at the earliest.

How long it takes to have your new solar system installed will depend on when you sign up, what stage the project is up to, how much demand there is, and where you live. As a rough guide, installations for the next phase of **Solar Saver** will occur from January to July 2019.

This could mean a wait of some months, especially if you sign up early in the program. We are committed to keeping you informed of our progress and will be working with you over that time to make sure the installation process runs smoothly when it commences.

For most standard systems the actual installation itself can be completed in a single day. Houses with a tin roof are generally quicker to install than those with tiles.

Please note also that once your system is installed, it may take some weeks for your retailer to connect your system to the grid. The installer will submit this request on your behalf once your system has been installed.

Back to top

17. Why is there a delay for Solar Saver installations?

A couple of reasons:

- Because Solar Saver involves an alteration to your rates payments called a Special Charge, the Victorian Government requires us to go through some formal processes. These take quite some time, so we need to start now in order to install systems in July.
- 2. There has been a huge amount of interest in the program so we have many people on our waiting list.

The required processes include:

- Finalizing the details of every household participating in the Special Charge Scheme
- Giving public notice of the Special Charge Scheme
- Writing to all affected ratepayers
- Allowing at least 28 days for people to make submissions
- Considering the scheme and any submissions at a Council meeting before adopting the Scheme.

Back to top

18. What are the steps involved for me?

If you have already registered your interest, you will be contacted mid-2018 to confirm your details, provide some additional information, and make sure you are ready for the supplier to arrange a quotation with you.



the place to live If you are registering your interest now for the first time, you will be contacted to confirm your details and the supplier will contact you, generally within approximately two weeks. The supplier will have conducted a desktop assessment based on your address, and if your property is a viable candidate for solar, will arrange to visit you to provide you with a free, no-obligation quote.

If you are participating in the **Solar Saver program**:

- Council will then contact you with the finalised offer, based on that quote. If you
 wish to accept the offer, you will sign an agreement with Council to pay off the
 system through the Special Charge Scheme.
- Council will then have to go through a process to have your Special Charge approved, and then will contact you to let you know that the installation phase is about to get underway.
- The Supplier will contact you to arrange a time to install your system.
- After the installation, our chosen solar installer will contact your Electricity
 Distributor Network (CitiPower, Jemena or AusNet) to make sure your solar system
 gets connected to the grid. This can take a few weeks to be processed.
- Council will stay in touch to make sure you know how to get the most out of your system. If there are any problems with your system, you can get in touch with the supplier.

Back to top

19. Are there any reasons why I wouldn't be able to get solar?

Yes, unfortunately solar doesn't work for all properties. Some of the problems that can come up include the following.

- If your roof does not have enough clear, unshaded space to fit the smallest system we offer then we won't be able to help you.
- Your switchboard and wiring need to be up to code and able to accommodate solar power safely. If your switchboard or wiring are old they may not be adequate and may need to be replaced before an installation can go ahead. This can be costly, so you need to weigh up whether it is worth the benefit and whether you can afford it.
- If asbestos is present in your house and/or your switchboard, our installer may not be able to carry out the necessary works.
- If you are in a heritage area, and if your system would be visible from the street or a public park, you will need to apply for a heritage permit. If this permit is granted, we won't be able to go ahead with an installation. See also Will I need a permit?
- If your roof is made from decramastic roof sheets (this is a kind of galvanized steel
 pressed metal roof sheeting) our installer may not be able to carry out the
 necessary works.





- If your roof is very steep (roughly over 35 degrees) or if for any other reason a nonstandard method of installation would be required (e.g. if scaffolding, a crane, or a scissor-lift would be required) our installer may not be able to carry out the necessary works.
- If we determine that the financial benefit to you might be marginal then we will let you know so you can make an informed decision.



20. How do I pay my system off over time?

If you participate in the Solar Saver program, Council pays the upfront cost and you pay your system off over time.

After your system is installed, Council will send you a quarterly Special Charge notice, just like we send you a quarterly rates notice. You pay off your system in this way over 10 years, or you can choose to pay it off more quickly. You won't be charged interest, and the savings you make on your electricity bill should more than cover these Special Charges.

After you have paid off your system, it belongs to you and you continue to save. Until then, Council owns your system.

Back to top

21. What are the details of the systems being offered?

Yet to be confirmed for 2019 installs. Please keep checking back for more details.

Back to top

22. Who will install the systems?

Details to come.

Back to top

23. Does the system come with warranties? How long will it last?

Details for this intake are yet to be confirmed. Previously, all of the components (inverter and panels) came with a 10 year product warranty. The installation and workmanship also came with 10 year warranties. In addition, the panels came with 25 year performance warranty, meaning that if they degrade to a point where they do not meet performance expectations, they will be replaced. As a rough guide, solar panels have a life expectancy of around 25 years. These panels are made with a low-iron tempered glass face and are specifically designed and certified to withstand large hailstones. The aluminium frames are anodized for extra durability and long life.

24. What about insurance?

We recommend that you check with your insurance provider to ensure that your panels are covered by your insurance in case something happens to them that is outside the conditions of the warranty, particularly during the period when you are still paying them back.



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25. What is the Authority to Release Information to Third Parties form for?

You will receive a billing data form with your agreement. This authorises the collection of data directly from your energy provider. You do not have to share your billing data, but it helps us to understand the overall effect of the project.

26. What happens with my power bills?

If your solar power system generates more electricity than you need, you will receive credits on your bill for any electricity that is fed into the grid. The minimum feed-in-tariff increased from \$0.05/kWh to \$0.113/kWh on 1 July 2017. The Victorian government has just announced some further changes. Unfortunately, the flat rate has decreased slightly – from 11.3c per kilowatt hour to 9.9c per kilowatt hour. The good news is that there is also an option for a peak and off-peak rates, with a higher feed-in-tariff in the late afternoon to early evening. This period is still quite productive for solar generation during much of the year, so this could benefit solar households, especially those with west-facing panels.

27. Are there other ways that I can make my house more energy efficient?

Yes. You can go to our website or Sustainability Victoria to learn ways to save electricity costs by making some simple changes at home. There are easy things to do like choosing cold water for your washing machine, fitting LED lights, or fitting draught stoppers to your windows and doors. There are great resources available for people renting, seniors and advice for different times of year. Go to http://yourenergysavings.gov.au/guides/reduce-your-energy-bills

You can also check out Darebin's website for more energy saving tips: http://www.darebin.vic.gov.au/en/Darebin-Living/Caring-for-the-environment/EnergyClimate#Saving-Energy

Installing solar **may require some changes** to your daily routines to make the most of your day-time electricity generation. We will provide you with specific information prior to installation and afterwards.



Manufacturers sometimes advise you to wipe the panels down with warm water perhaps once a year. This is because small collections of dust, dirt and bird droppings may affect the output – particularly if the pitch of your roof is less than 15 degrees. It's not likely to have a major impact in the short term, but build-up over time could reduce the effectiveness of the solar panel. If you don't feel confident about getting up on the roof, don't. Given that the impact is not likely to be great, you might choose not to clean the panels at all, or you might choose to pay someone to do it or ask a family member to help.



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29. What happens in the event of a power failure?

If there is a black-out your solar power system will instantly and automatically shut off. This is Australian law and is designed to protect electrical line workers. When the grid power is shut off, the workers expect the lines to be dead so they can safely repair faults.

30. What happens if I sell my house?

When your property is sold, any remaining repayments to Council will be taken out of the proceeds of the sale. This is similar to the process for any remaining Rate payments.

31. Who do I contact with further questions?

Email your question to <u>solar@darebin.vic.gov.au</u>. Please include your name, address and contact number (preferably mobile).

Alternatively you can contact:

Sally MacAdams: sally.macadams@darebin.vic.gov.au | Climate Action Officer | Ph: 03 8470 8208.

Philip Werner: philip.werner@darebin.vic.gov.au | Solar Saver Support Officer |

Ph: 03 8470 8389



32. What are the benefits of Solar Saver for landlords?

The potential benefits of installing solar on a property that you rent out to tenants include:

- Increase in property value
- Increase in attractiveness as a rental property (which may lead to longer tenancies, higher rent, and a higher occupancy rate)
- Ownership of the asset after paying it off
- Contributing to increasing local renewable energy.

The additional benefits of the **Darebin Solar Saver** program are that:

- Council pays the upfront cost for the system, and you pay it off over ten years, interest free.
- There may be some taxation benefits (see question 32 below).
- Council has done the homework to help Darebin ratepayers access:
 - o A reliable supplier and installer
 - Quality panels and inverters
 - Extended warranties (25 years for the panels; 10 years for the inverter and installation)
 - A discounted price.

33. Are Solar Saver payments tax-deductible?

If you are renting out your property and you choose to install a solar system through Solar Saver, your Special Charge repayments are considered to be a capital expense. As a loan repayment you can't claim this as an income deduction against the rental income from the property.

The solar system is, however, considered to be a depreciating asset for income tax purposes. Provided the solar system is part of the rental property, the purchase price is treated as the 'cost' (including the associated installation and connection costs) of the solar system for income tax purposes. A part of that cost can be claimed yearly as a tax deduction over its effective life (Division 40 of the Income Tax Assessment Act 1997). Taxation Ruling TR 2017/2 Income tax: effective life of depreciating assets provides a table listing the effective life of depreciating assets. In accordance with TR 2017/2 the effective life of solar power generating system assets is twenty years. Further information on depreciating assets is available on the ATO's website, www.ato.gov.au by inserting 'QC 51237' into the website's search function.

This is general information only, so you should seek individual advice from your tax accountant about your specific circumstances.



34. What else do I need to know as a landlord?

As the ratepayer, it is you with whom Council can legally form an agreement under this program.

Council wants to make the benefits of solar accessible to everyone, including renters and landlords. It's also important for Council to do everything it can to ensure that renters are not disadvantaged in any way by the installation of a solar system on their home through this program.

For this and other reasons:

- You need the written agreement of your tenant indicating that:
 - They consent to the installation of a solar system through this program.
 - They will provide safe access to the property for the installation:
 - They will pay the connection fees and complete any paperwork required by their electricity retailer to connect the system to the grid.
 - o There are limits on how your landlord can increase your rent.
- This written consent forms part of your agreement with Council.
- We inform tenants who apply independently that:
 - Their landlord will have to sign the agreement.
 - o Landlords are limited in how they increase rent.
 - Stricter rules about rent increases are expected to come into law in 2018-2019.
 - In the meantime if they feel they are being asked to pay an excessive increase in rent, they can ask Consumer Affairs Victoria to assess the fairness of the situation:
 - https://www.consumer.vic.gov.au/housing/renting/during-a-lease-or-residency/rent-and-other-payments/rent-increases



35. GLOSSARY

Distributor = the company that is responsible for distributing energy and maintaining the powerlines and poles that carry your electricity. There are three in Darebin: AusNet, Jemena and CitiPower.

FIT = Feed-In Tariff = the money you get paid when you feed excess energy back into the grid. Currently the minimum FIT in Victoria is 11.3 cents per kilowatt hour. This about to change – see Question 25.

Inverter = the machine that converts the energy collected by your panels into energy you can use in your house.

kW(hr) = kilowatt (hour) = unit of measure for electricity consumption (per hour).

NMI = National Meter Identifier = a unique number that identifies your home or business for the purpose of electricity billing. You can find your NMI on any electricity bill.

Pitch = angle (of your roof) – this affects your solar panels because they need to be on a particular angle to the sun to be most efficient (can be adjusted by using special mounts).

PV, Solar PV = (Solar) Photo Voltaic (Panels) = Solar Panels.

Retailer = the company that sells you electricity (eg Origin, AGL, TruEnergy, Powershop, Diamond Energy etc etc).

Smart Meter = the device that records your electricity use. This is how your power company (retailer) knows how much to charge you. It also tells them how much energy you are putting back into the grid.

Special Charge Scheme = a mechanism that allows Council to buy your solar system upfront and you to pay back the cost over time. The way this works is that Council will charge you a small additional payment (a Special Charge) on your quarterly rates notice. You can repay the loan over up to 40 instalments over up 10 years in this way.