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Office of the Renewable Energy Regulator



Increasing Australia's renewable electricity generation  
**Annual Report 2009**



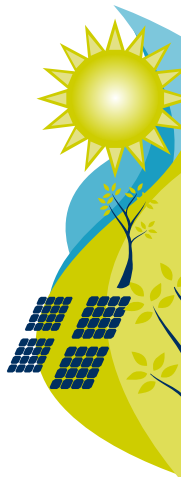
Australian Government

Office of the Renewable Energy Regulator

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Increasing Australia's renewable  
electricity generation

**Annual Report 2009**





### **About this Report**

ORER's Annual Report 2009 has been prepared in accordance with the requirements of section 105 *Renewable Energy (Electricity) Act 2000*.

It is available in print from 39 libraries around Australia and the ORER Office. It is also available online at [www.orer.gov.au/publications/index.html#annual-reports](http://www.orer.gov.au/publications/index.html#annual-reports)

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**Australian Government**  
**Office of the Renewable Energy Regulator**

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Senator the Hon Penny Wong  
Minister for Climate Change, Energy Efficiency and Water

Dear Minister

I am pleased to present to you the ninth Annual Report of the Office of the Renewable Energy Regulator.

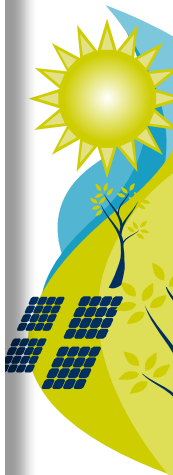
This 2009 Annual Report focuses on the working of the *Renewable Energy (Electricity) Act 2000* for the calendar year.

The report is submitted for presentation to the Parliament in accordance with section 105 of the *Renewable Energy (Electricity) Act 2000*.

Yours sincerely

A handwritten signature in black ink that reads 'Andrew Livingston'.

Andrew Livingston  
Renewable Energy Regulator  
May 2010



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# Welcome from the Regulator

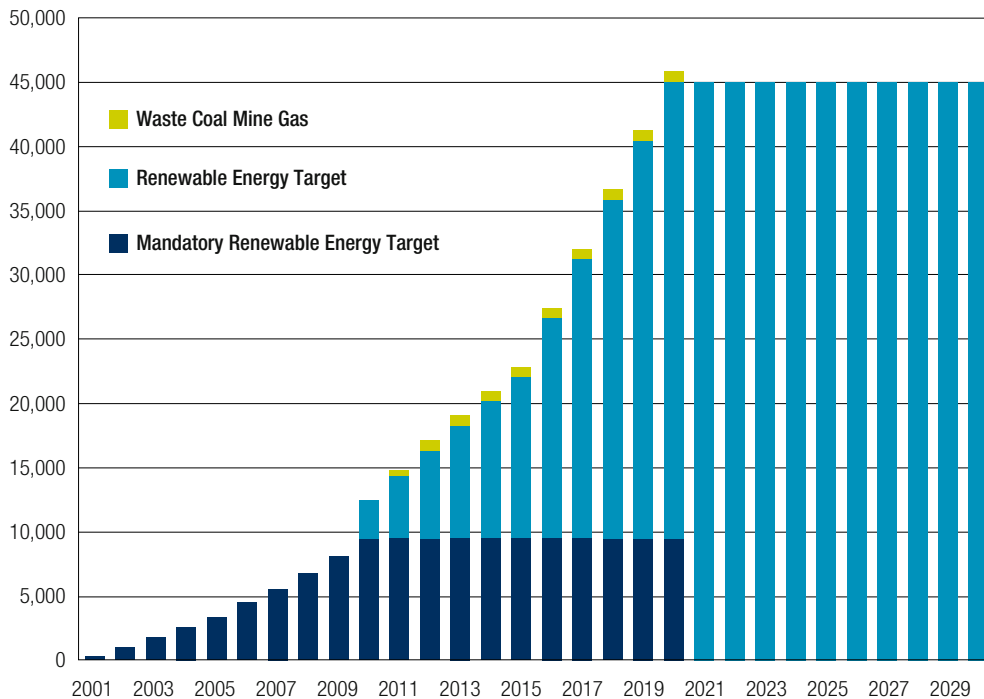
This year has been significant in terms of building a sustainable future for the renewable energy industry in Australia. The national Renewable Energy Target (RET) was passed by Parliament on 20 August 2009, setting a target of 45,000 gigawatt hours (GWh), approximately 20 percent of Australia's electricity supply, from renewable energy sources by 2020.

The RET is an expansion of the previous Mandatory Renewable Energy Target (MRET), administered by Office of the Renewable Energy Regulator (ORER) since 2001. The MRET target was legislated to peak at 9,500 GWh in 2010 and remain at this level until 2020.

According to the amended Act the RET yearly targets have risen significantly with the 2010 target 54% greater than the 2009 target. An increase in the target encourages greater demand for renewable energy certificates (RECs). With an increased demand more certificates can be created and traded, resulting in sustained financial incentive for expansion of the Australian renewable energy industry.

Extension of the scheme till 2030 also provides the renewable energy industry with longer term support, encouraging expansion of renewable energy projects and new investment from national and international sources.

**Annual renewable energy and eligible waste coal mine gas targets (GWh)**



As at end 2009, other updates resulting from the RET legislation include:

- Partial exemption from liability under the scheme for emissions intensive trade exposed activities
- Transition of state renewable energy target schemes into the RET
- Instigation of Solar Credits, a mechanism which multiplies the number of RECs able to be created for small generation units (SGUs) (small-scale solar PV, wind and hydro electricity systems) installed on or after 9 June 2009. Solar Credits replaces the Solar Homes and Communities Plan (SHCP) \$8,000 rebate administered by the Department of Environment, Water, Heritage and the Arts
- Introduction of statutory declarations for solar water heater (SWH) systems with volumetric capacity greater than 700 litres
- An increase of the Renewable Energy Shortfall Charge from \$40 per MWh to \$65 per MWh. The shortfall charge encourages compliance with the RET as liable parties who do not meet their obligations to purchase renewable energy certificates will need to pay this charge
- Eligibility requirements for existing waste coal mine gas (WCMG) power projects to create RECs up to an annual cap, for a limited period, as a transitional measure to underpin the continued viability of these projects. Annual targets have been increased to ensure no renewable energy is displaced in the measure.

The regulations for Solar Credits came into force on 10 September 2009. The creation of Solar Credit RECs was initially low but numbers increased later in the year. By 31 December 2009 Solar Credit RECs began to form a larger proportion of all RECs created for SGUs.

More than 70% of all SGU RECs were created in the REC Registry in 2009. Over the year approximately 4,000 systems were installed each month compared to approximately 1,000 per month in 2008. The growth in SGU installations in 2009 can be attributed to Solar Credits, the SHCP \$8,000 rebate and changes in various State Government incentives. It is expected that a high rate of installation of SGUs will continue as the installations under the SHCP are completed and Solar Credits and the introduction of various State Government incentives take over as the primary incentives for householders to install an SGU.

In October ORER conducted a number of workshops to educate agents of SWHs and SGUs regarding updates to the legislation and regulations, with particular focus on Solar Credits and SWH compliance. The workshops also highlighted common compliance and administrative issues to further streamline agent participation in the scheme.

Compliance with the scheme has been a major focus of 2009. ORER established a dedicated compliance team in June 2009 and developed a proactive compliance and enforcement policy. The aim of compliance activities is to assist stakeholders in understanding their rights and obligations; make it easy as possible for stakeholders to meet their obligations; support stakeholders to do the right thing and actively pursue those who contravene the law.

Compliance activities have included: analysis of information reported by registered persons and corporations; desktop investigations, including data analysis, checks against third party data and other innovative analysis techniques; targeted investigations using authorised officers and audits of eligible and liable parties. As of 31 December 2009 the compliance team conducted more than 280 site visits, executed 3 warrants and suspended one agent.

As the scheme grows compliance will be a key factor in maintaining its integrity. Recent regulations such as the introduction of a statutory declaration for SWH systems assist ORER in enforcing compliance with the measure. We expect to increase our compliance activities in 2010 to ensure that all parties are compliant under the Act.

In 2009 investment in the renewable energy industry increased with new renewable energy power stations and many deemed units accredited under the RET. ORER accredited 22 more renewable energy power stations bringing the total number of accredited renewable energy power stations to 291. ORER estimates that total investment stands at over \$8 billion and the generating capability of the system is in the order of 11,000 GWh of eligible renewable energy per typical year. This is equivalent to the residential electricity needs of over 1.7 million households.

In 2009, RET participants created over 16 million RECs and ORER staff validated, on average, 62,000 RECs each working day. More than 228,000 additional renewable energy participants joined the scheme and the number of RECs created in the 2009 year was approximately 7 million more as compared with 2008.

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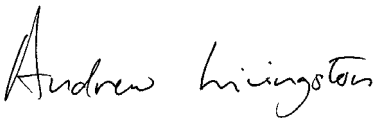


Strong industry support of the RET scheme is evidenced by nearly 100 percent compliance through RECs by wholesale electricity purchasers (liable parties) for 2009. Several liable parties, who had shortfalls in previous years, made up their shortfalls by surrendering additional RECs in 2010. The renewable power percentage for 2009 was set at 3.64 percent of additional renewable electricity which resulted in a demand of 8.1 million RECs created by liable parties. The target for 2010 is 12.5 million RECs.

In 2009 ORER implemented a number of software changes to the REC Registry. Two scheduled upgrades to the software took place in 2009. Version 1.5, released in May 2009, incorporated Solar Credits functionality into the REC Registry and improved the process used to upload large numbers of SGU installations. Version 1.6 was released in December 2009, adding a new public calculator, functionality for Solar Credits, and several other minor updates.

ORER is awaiting the outcome of a Council of Australian Governments (COAG) review examining some of the eligibility provisions of the RET for new small-scale technologies as well as heat pumps and rules for off-grid resource projects. COAG is expected to report in 2010.

In 2010, we will be focusing on improving administration of the expanded RET and implementing new regulation changes. ORER looks forward to playing an important role in the expansion of the renewable energy industry in Australia<sup>1</sup>.



Andrew Livingston

Renewable Energy Regulator



<sup>1</sup> As of 3 March 2010 the Senator the Honourable Penny Wong was appointed Minister for Climate Change, Energy Efficiency and Water and the Department of Climate Change became the Department of Climate Change and Energy Efficiency. These changes will be reflected in the 2010 Annual Report.



# Chapter 1

## ORER and the RET scheme

The 2009 Annual Report provides details on the administration of the *Renewable Energy (Electricity) Act 2000* (the Act) during the 2009 calendar year.

### RET explained

The Australian Government's Renewable Energy Target (RET) has been introduced to encourage additional generation of electricity from renewable energy sources. The RET legislation sets the framework for both the supply and demand of RECs via a REC market.

### REC Demand – liable parties

The RET places a legal liability on wholesale purchasers of electricity, defined as liable entities (liable parties) under the Act to proportionately contribute towards the generation of **additional** renewable electricity.

Liable parties support additional renewable energy generation from renewable energy power stations, solar water heaters (SWHs) and small generation units (SGUs) through the purchase of RECs in the internet based registry system, commonly referred to as the REC Registry. This process is market driven with the price of RECs determined by supply and demand. The renewable power percentage establishes the rate of liability for each calendar year.

Liable parties are required to annually surrender the number of registered RECs equal to their liability for the previous calendar year. RECs that are marked as 'invalid due to surrender' by ORER are no longer available to reuse during the life of the RET.

### REC Supply – eligible parties

Eligible parties transfer RECs in the REC Registry to liable parties for a negotiated price.

Eligible parties include:

- renewable energy sourced power stations such as wind, hydro, landfill gas, solar and bagasse
- owners of SWHs and SGUs
- agents of SWHs and SGUs

Eligible parties can create RECs for eligible electricity generated above the accredited renewable energy power station's baseline or for eligible SWHs and SGUs. RECs that become registered are a tradable commodity in the REC market.

### The REC market

The Act allows for RECs to be electronically transferred between REC Registry account holders (typically between eligible and liable parties) listed in the REC Registry. REC transfers are reported automatically to the Regulator in the REC Registry under section 28 of the Act. This process is market driven with the price of RECs determined by supply and demand. The transfer of RECs between liable and eligible parties is not a rebate but a financial transaction. The REC price is not regulated by ORER.

### Baselines

The main objective of the RET is to encourage additional generation of electricity from renewable energy sources. During the accreditation process of a renewable energy power station the Regulator generally determines the baseline by using the average amount of annual electricity generated from eligible renewable energy sources over the 1994, 1995 and 1996 years. Eligible parties can only create RECs for electricity generated above the baseline.

Power stations which generated electricity for the first time after 1 January 1997 have a baseline of zero.

### The RET process

The Act operates on a calendar year (1 January – 31 December). The process for participating in the RET is as follows:

- *apply to become a registry user* – Individuals or companies wishing to become a registry user must create an account in the REC Registry. At this point individuals or companies are only able to own and transfer registered RECs or make mandatory or voluntary REC surrender offers.
- *lodge Registered Person Application with ORER and pay application fee* – If individuals or companies wish to create RECs, a registered person application must be lodged with ORER and a \$20 application fee paid.

- *Registered Person Application is approved* when registration is successfully completed, a registered person may:
  - seek accreditation of a renewable energy power station for which they are a nominated person, by applying to the Regulator. If the renewable energy power station is accredited by the Regulator, then RECs can be created for eligible electricity generation above the renewable energy power station's baseline
  - create RECs for their own eligible deemed unit
  - apply for registration as an agent. If successfully registered, an agent can create RECs on behalf of owners of deemed unit installations who assign their right to create RECs to the agent.

## Registered RECs

RECs created by registered persons are checked and either validated or failed by ORER. For RECs to be registered they must be validated by ORER and the applicable registered person must pay an 8 cent registration fee per REC.

Registered RECs can be:

- **transferred** between parties who have an account in the REC Registry
- **surrendered** by liable parties to discharge their mandatory liability under the Act. RECs surrendered by liable parties under section 29 of the Act and accepted by ORER are marked 'invalid due to surrender' in the REC Registry
- **voluntary surrendered** under section 28A for any reason. All registered owners of RECs can choose to make voluntary REC surrender offers for any reason.

RECs accepted for voluntary surrender are permanently removed from the REC market.

## Reporting period

RET participants are required to report their annual activities such as electricity generation, deemed unit REC information, and liable electricity acquisitions for each calendar year, by 14 February of the following year by lodging annual returns or statements.

## Legislative framework

The Act came into force on 18 January 2001, after passage through Parliament on 8 December 2000. The *Renewable Energy (Electricity) Amendment Act 2009* (the Amendment Act), incorporated a number of recommendations that ensured the continuation and expansion of the Renewable Energy Target.

Section 3 of the Act sets out three main objectives:

- to encourage the additional generation of electricity from renewable sources
- to reduce emissions of greenhouse gases in the electricity sector
- to ensure that renewable energy sources are ecologically sustainable.

The Act, which established the market for RECs, came into effect on 1 April 2001 and has been amended two times. Once, in 2006, to reflect outcomes of the 2004 review followed by amendments in 2009 to support the expansion of the RET.

The Act is supported by the *Renewable Energy (Electricity) (Charge) Act 2000* (the Charge Act), which sets the Renewable Energy Shortfall charge (RESO), payable where RECs are not surrendered. The Charge Act came into force in 2000, and was subsequently amended in 2001 and 2009. The 2009 amendment increased the RESO to \$65 per REC not surrendered to the Regulator for the 2010 to 2030 compliance years. However, the RESO remains set at \$40 per REC not surrendered to the Regulator for the 2001 – 2009 compliance years.

The Act is also supported by the *Renewable Energy (Electricity) Regulations 2001* (the Regulations), which provide more details on a number of issues, including eligibility criteria for renewable energy sources and criteria for accreditation of power stations and deemed units.

The Regulations were established on 6 February 2001, and have subsequently been amended twenty five times, with new amendments expected each year. Additional amendments will be required to support the Amendment Act and to set future renewable power percentages.

In combination the Act, the Charge Act and the Regulations set the framework for the implementation of the Australian Government's RET.



## Administering the Act

ORER was established to administer the Act on 12 February 2001, and became a prescribed agency under the *Financial Management and Accountability Act 1997* from 1 July 2003. Consequently, ORER also publishes a separate financial year annual report, outlining activity over the financial year from 1 July to 30 June each year.

The role of the Regulator and ORER are established under Part 14 of the Act. The key role of ORER is to assist the Regulator in performing the Regulator's functions (section 150 of the Act). The Regulator and ORER constitute a Statutory Agency for the purposes of the Public Service Act 1999.

The first Regulator was appointed on 12 February 2001 by the then Minister for the Environment and Heritage, Senator the Hon Robert Hill. Mr David Rossiter accepted this role, and led ORER for an initial period of 5 years. At the end of this term, the then Minister for the Environment and Heritage, Senator the Hon Ian Campbell, reappointed Mr Rossiter for a further 5 year period. Senator the Hon Penny Wong, Minister for Climate Change and Water appointed Mr Amarjot Singh as the Acting Renewable Energy Regulator on 1 July 2008 and Mr Andrew Livingston as the Renewable Energy Regulator on 1 June 2009.

## Role of the Regulator

### The main roles of the Regulator are:

Maintaining a register of registered persons, accredited power stations, renewable energy certificates and applications for accredited power stations by electronic means.

Under section 135 of the Act the Regulator must maintain a register of registered persons, accredited power stations, RECs and applications for accredited power stations. These registers are maintained and are accessible through the REC Registry. Under the Act certain information from these registers is required to be made publicly available on the REC Registry.

### Registration of registered persons

Individuals and companies must be registered before they can seek accreditation of renewable energy power stations, create RECs above the renewable energy power station's baseline or create RECs for eligible deemed units. Each registered person is allocated a unique registration number, which is accessible from the Register of registered persons.

## Accreditation of eligible renewable energy power stations

Renewable energy power stations must apply for accreditation in order to participate in the RET. Nominated persons of accredited renewable energy power stations can be eligible to create RECs in respect of the eligible generation above the baseline. The accreditation process includes:

- verification that the renewable energy power station meets eligibility criteria as specified in the legislation
- verification that a renewable energy power station is using one or more eligible renewable energy sources
- establishment of an annual baseline. The baseline for renewable energy power stations that started generating electricity after 1 January 1997 is zero and for pre-1997 renewable energy power stations is non-zero
- allocation of a unique accreditation code if the renewable energy power station is accredited.

## Registration of renewable energy certificates

RECs must be created by registered persons, pass through a validation test conducted by ORER and have a registration fee of 8 cents per REC registered paid by the registered person.

There are three types of registered persons:

- nominated persons for renewable energy power stations
- individual owners of deemed units
- agents for deemed units.

Registered RECs can be transferred to other persons, voluntarily surrendered under section 28A of the Act or surrendered to discharge a mandatory liability under sections 29, 44 and 95 of the Act. RECs surrendered to discharge a mandatory liability incur an 8 cent fee per REC surrendered.

## Monitoring and compliance

All participants of the RET must comply with relevant sections of the Act, Charge Act and regulations for the creation of RECs, reporting and other requirements.

ORER uses intelligence analysis and risk assessment to make strategic decisions about compliance activities undertaken, with the intent to maximise the number of stakeholders who voluntarily comply with their obligations under the Act.



Monitoring and compliance activities involve:

- assessing and overseeing the submission of annual reports and statements such as:
  - Annual Electricity Generation Returns (EGR). Nominated persons for renewable energy power stations report their renewable electricity generation above the baseline and REC creation in the EGR
  - Annual Solar Water Heater and Small Generation Unit Returns (SWH/SGUR). Agents report REC information with respect to the number of deemed units that were entitled to RECs
  - Annual Energy Acquisition Statements (AEAS) and Renewable Energy Shortfall Statements (RESS). Liable parties are required to lodge an AEAS or RESS and acquit their liability by surrendering RECs and/or paying a Renewable Energy Shortfall Charge (RESC) in accordance with the Act. Liable parties that have a shortfall less than 10 per cent of the total liability in a given year are not required to pay the RESC and are allowed to carry forward the REC shortfall without paying the RESC. The RESC equals \$40 per REC not surrendered for the 2001-2009 compliance years and \$65 per REC for the 2010 and future compliance years
- analysis of information reported by registered persons and corporations
- desktop investigations, including data analysis
- checks against third party data and other innovative analysis techniques
- targeted investigations using authorised officers. This includes but is not limited to site visits, outreach visits, monitoring warrants and compliance visits
- audits of eligible and liable parties. Audits include:
  - liability compliance audits – seek to verify the information provided in the AEAS or RESS
  - eligibility compliance audits - seek to verify information provided in the EGR or SWH/SGUR

Audits not only help liable and eligible parties understand the application of the RET to their circumstances, but also provide feedback to ORER on areas where systems might need some improvement. The field audits confirmed that audited parties were reporting consistently in accordance with the legislation. However, as in previous years, ORER found that some parties appear to lack the internal procedures that would lead to efficient and accurate reporting of relevant acquisitions.

## Role of ORER

ORER assists the Regulator in:

- registration of individuals or companies seeking to become registered persons
- accreditation of eligible renewable energy power stations
- overseeing the validation of RECs
- overseeing the acceptance of RECs offered under section 28A of the Act
- imposing any penalties for non-compliance with the provisions of the legislation
- allowing liable parties to redeem any RECs, if shortfalls are made up within three years of the shortfall year
- ensuring the integrity of the measure by undertaking audits of participants including eligible and liable parties
- maintaining and updating the REC Registry, accessible at <https://www.rec-registry.gov.au>. This includes releasing software upgrades and maintaining the publicly available registries
- providing industry and other stakeholders with appropriate advice about the measure
- providing information to public users and stakeholders about the RET on ORER's website [www.orer.gov.au](http://www.orer.gov.au).

## Requests to review decisions

A person who has received a decision from the Regulator can lodge a formal review request for the Regulator to reconsider the decision under Part 6 of the Act. For example, an assessment made under the Act (eg. an assessment of renewable energy certificate shortfall or decision to not register a renewable energy certificate) is a reviewable decision.

In some cases, it may be possible to resolve issues with the Regulator and/or the ORER contact officer without a formal review.

If issues cannot be resolved without a review, an affected person can lodge a request for a review. The request for a review must be lodged in writing. To assist the Regulator in reviewing the decision, the request should state fully, and in detail, the grounds for review. The request for a review of the decision must be given to the Regulator within 60 days after the decision is made.

At this point the Regulator can ask an ORER officer who was not involved in the original decision to assist in the review. The Regulator reviews the original decision with



reference to the reviewing officer's recommendation. The person seeking the review will be informed in writing, explaining the reasons for the review decision. The original decision is confirmed if the Regulator does not give written notice of the review decision within 60 days of the request.

If the affected person is not satisfied with the review decision they can apply to the Administrative Appeals Tribunal (AAT) for a review of the decision.

A list of decisions that can be reviewed by the Regulator, under section 66 of the Act, is as follows:

- Approve or refuse an application for registration as a registered person (section 11 of the Act)
- Approve or refuse provisional accreditation of renewable energy power station application (section 12B of the Act)
- Determining certain matters relating to an applications for accreditation of a renewable energy power station (section 14 of the Act)
- Approve or refuse accreditation of renewable energy power station application (section 15 of the Act)
- Amending electricity generation returns (section 20A of the Act)
- Approve or refuse to register RECs (section 26 of the Act)
- Suspending a registered person (section 30 and 30A of the Act)
- Approve or refuse to change a nominated person for an accredited renewable energy power station (section 30B of the Act)
- Approve or refuse to vary what constitutes components of an accredited renewable energy power station (section 30C (1) of the Act)
- Suspending the accreditation of a renewable energy power station (section 30D or 30E of the Act)
- Requesting to vary an accredited renewable energy power station's baseline (section 30F of the Act)
- Amending annual energy acquisitions statements (section 45A of the Act)
- Assessing a penalty charge where an arrangement to avoid a renewable energy shortfall charge occurred (section 102 of the Act)
- Not remitting or remitting only a part of the penalty charge (section 103 of the Act)

Two decisions were reviewed by the Regulator, under section 66 of the Act, in 2009. The following information provides details of these reviews:

- One company submitted a request for review in respect of an accreditation issue as the Regulator refused to accredit, including to vary what constitutes a power station, a renewable energy power station. In the one case for review, the company submitted its request within the allowable timeframe, in accordance with section 66 of the Act. The Regulator then reaffirmed the original decision. The company lodged an appeal for review of the power station accreditation decision before the Administrative Appeals Tribunal (AAT). ORER is awaiting the AAT decision.
- One company submitted a request for review in respect of a refusal to register RECs. In that one case for review, the company submitted its request within the allowable timeframe, in accordance with section 66 of the Act. The Regulator then reaffirmed the original decision.



# Chapter 2

## 2009 activity

### Summary of 2009

The Act operates on a calendar year basis. This report focuses on the operation of the Act between 1 January and 31 December 2009. In some areas, previous years data is provided for comparison purposes.

#### 2009 Activity

Number of registered person applications approved	<b>386</b>
Number of applications for renewable energy power stations accredited	<b>22</b>
Number of RECs created	<b>16,216,800</b>
Number of SWH & SGU installations that created RECs in 2009	<b>240,700</b>
Busiest month for REC creation	<b>December</b>
Number of REC transfer transactions in the REC Registry	<b>4,157</b>
Number of RECs accepted for surrender for the 2008 compliance year*	<b>6,913,963</b>
Number of RECs accepted for voluntary surrender	<b>2,073,792</b>
Number of liable parties with a 2008 shortfall	<b>3</b>
2008 liability acquitted by REC surrender	<b>99.81%</b>

#### 2001 – 2008 Activity

Number of registered persons approved	<b>614</b>
Number of applications for renewable energy power stations accredited	<b>269</b>
Number of RECs created	<b>37,111,281</b>
Number of SWH & SGU installations that created RECs	<b>311,300</b>
Busiest month for REC creation – 2008 only	<b>November</b>
Number of REC transfer transactions in the REC Registry	<b>8,519</b>
Number of RECs accepted for voluntary surrender	<b>2,401,910</b>

\* This includes RECs surrendered against future liability.

### Registration of persons

During 2009, ORER processed 386 applications to be a registered person. The registrations covered a range of individuals and companies seeking to create RECs for renewable energy power stations or deemed units. The growth in applications predominately relates to an increase of individuals wanting to create RECs for their deemed unit installations.

As at December 2009, the total number of registered persons accounts since commencement of the scheme reached 1,000.

### Accreditation of power stations

For the ORER to assess an 'Application for Accreditation of a Power Station' form the applicant must successfully complete all sections of the form and supply sufficient supporting evidence to demonstrate that the renewable energy power station can be accredited under the RET.

When the application is deemed to be correctly made by ORER, the applicant will be notified by email to pay an accreditation fee online through the REC Registry. Once the fee has been paid, details of the renewable energy power station will be listed on the public 'Register of Applications for Accredited Power Stations' (accessed via the REC Registry) and the application process will continue.

If the application is 'properly made' under section 13 of the Act (this includes payment of the fee), and the Regulator approves the application under sections 14 and 15 of the Act, the renewable energy power station will be listed on the 'Register of Accredited Power Stations' and is eligible to create RECs.

The applicant will then be entitled to create RECs for eligible electricity that was generated after the date the application was deemed to be properly made under section 13 of the Act. If the renewable energy power station begins generating electricity after this date, RECs can be created from the date the renewable energy power station begins generating eligible electricity.



Of the 308 renewable energy power station applications properly made by applicants as at 31 December 2009:

- 291 renewable energy power stations were accredited and eligible to create RECs from renewable energy sources under the Act. This includes 22 renewable energy power stations that were accredited in 2009.
- 13 renewable energy power stations were decommissioned. This includes one renewable energy power station which was decommissioned in 2009.
- Four applications were disapproved for accreditation.

In 2009, no accredited power stations were suspended under section 30D or 30E of the Act nor were any accredited power stations suspended for non compliance under section 20 of the Act – lodging an EGR.

### Requesting variations to renewable energy power station accreditations

In 2009 the Regulator received one request to vary a renewable energy power station's baseline. In this case, the Regulator amended the renewable energy power station's baseline.

#### Comparative number of renewable energy power stations accredited

Renewable energy source	Accredited in 2008	Accredited in 2009
Hydro	3	3
Landfill Gas	8	2
Sewage Gas Sewage Gas and Biomass-Based Components of Sewage and Municipal Solid Waste	1	7
Solar		4
Wind	4	6
<b>Total</b>	<b>16</b>	<b>22</b>

#### Comparative number of accredited renewable energy power stations

Fuel source	Accredited in 2008	Accredited in 2009
Agriculture, Food and Agriculture Waste	7	7
Bagasse Co-generation, Energy Crops	27	27
Black Liquor	2	2
Hydro	82	85
Landfill Gas	54	56
Sewage Gas Sewage Gas and Biomass-Based Components of Sewage and Municipal Solid Waste	12	19
Solar	32	36
Wind	40	46
Wood Waste	13	13
<b>Total</b>	<b>269</b>	<b>291</b>

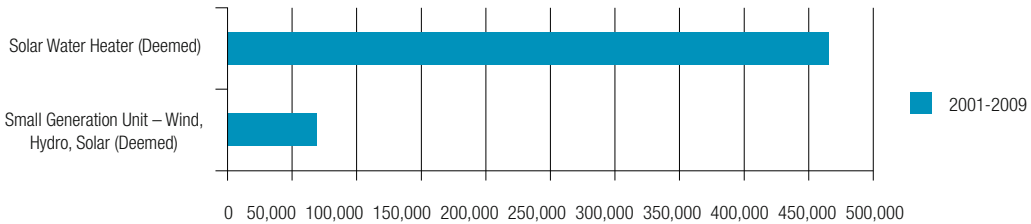
#### Number of accredited renewable energy power stations by state as at 31 December 2009

Fuel source	ACT	NSW	NT	QLD	SA	TAS	VIC	WA	Total
Agriculture, Food and Agriculture Waste	0	1	1	1	0	0	1	3	7
Bagasse Co-generation, Energy Crops	0	3	0	23	0	0	0	1	27
Black Liquor	0	1	0	0	0	0	1	0	2
Hydro	1	28	0	9	0	30	14	3	85
Landfill Gas	2	13	1	11	4	3	13	9	56
Sewage Gas Sewage Gas and Biomass-Based Components of Sewage and Municipal Solid Waste	0	10	0	4	0	1	3	1	19
Solar	1	11	5	4	4	1	6	4	36
Wind	0	6	0	3	11	5	10	11	46
Wood Waste	0	6	0	3	1	1	1	1	13
<b>Total</b>	<b>4</b>	<b>79</b>	<b>7</b>	<b>58</b>	<b>20</b>	<b>41</b>	<b>49</b>	<b>33</b>	<b>291</b>

## SWH and SGU installations

From 1 April 2001 to 31 December 2009 more than 552,000 deemed unit installations created RECs in the REC Registry. Of these, more than 189,000 SWH and 51,700 SGU installations created RECs between 1 January 2009 and 31 December 2009. Of the SGU installations, solar makes up 99.71 per cent of the installations followed by wind (0.27) and hydro (0.02).

### Number of deemed unit installations that created RECs up to 31 December 2009



The numbers of SWH and SGU installations have increased from the previous year. During 2009 approximately 4,000 SGU installations were installed each month compared to approximately 1,000 per month in 2008. More than 70% of SGU RECs were created in the REC Registry in 2009.

Incentives for installation of SGUs included the Solar Homes and Communities Plan (SHCP) \$8,000 rebate administered by the Department of Environment, Water, Heritage and the Arts and changes in various State Government incentives. Growth was also encouraged by the instigation of Solar Credits, a mechanism administered by ORER which multiplies the number of RECs able to be created for small generation units (SGUs) (small-scale solar PV, wind and hydro electricity systems) installed on

or after 9 June 2009. Solar Credits officially replaced the SChP rebate when the regulations came into force on the 10 September 2009.

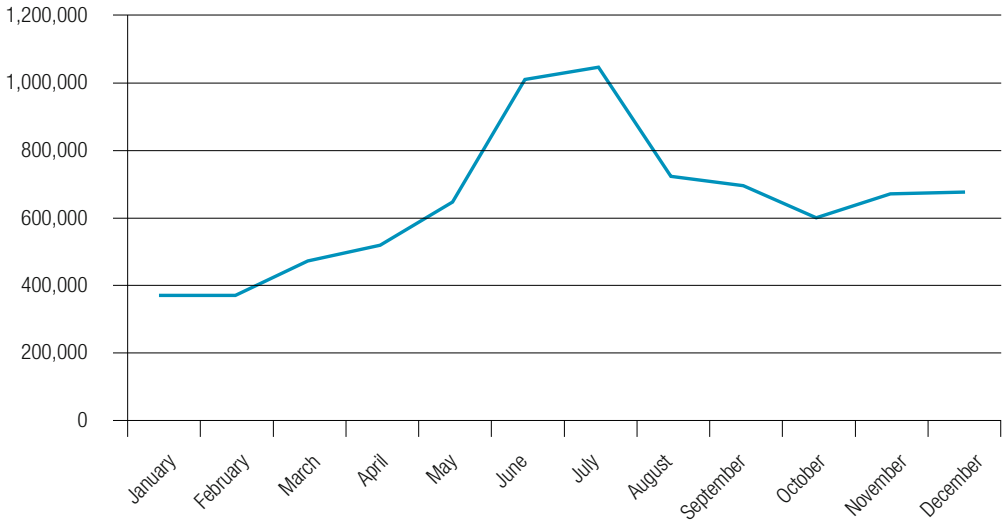
The creation of Solar Credit RECs was initially low but numbers increased later in the year. By 31 December 2009 Solar Credit RECs began to form a larger proportion of all RECs created for SGUs.

Creation of SWH RECs increased for the first six months of the year and reduced in numbers thereafter. Growth in SWH installations can be attributed to increased incentives through the Department of Environment, Water Heritage and the Arts rebate and changes in various State Government incentives.





## Deemed solar water heater RECs created by month in 2009



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## Assessing the validity of created renewable energy certificates

A total of 53,328,081 RECs had been created in the REC Registry as at 31 December 2009. Of these, 16,216,800 RECs were created between 1 January 2009 and 31 December 2009. In accordance with the Act, only registered RECs created between 2001 – 2009 can be used to acquit a liable party's 2009 REC liability.

As at 31 December 2009, there were:

- 19,886,545 registered RECs
- 827,924 RECs pending registration
- 26,090,071 RECs accepted for surrender by ORER against the 2001 – 2008 liability compliance periods. These RECs are marked 'invalid due to surrender' in the REC Registry
- 592 RECs pending voluntary surrender (section 28A)
- 4,475,110 RECs accepted under section 28A of the Act for voluntary surrender. These RECs are marked 'invalid due to voluntary surrender' in the REC Registry
- 2,033,476 RECs were failed. These RECs are marked 'invalid due to audit' in the REC Registry.

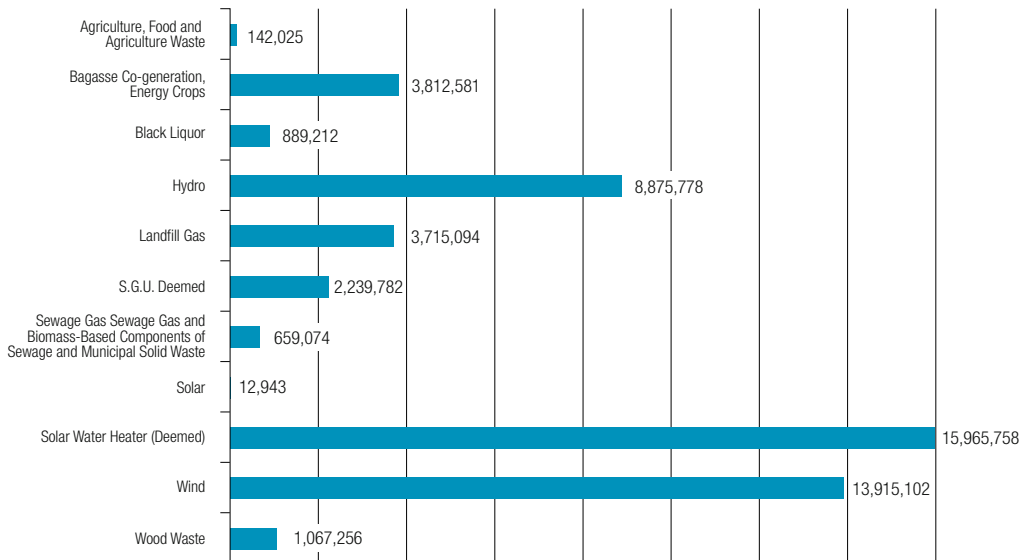
A wide range of eligible renewable energy sources were used to create RECs in 2009. Not all accredited renewable energy power stations, agents or individuals created RECs in 2009.

Under section 19 of the Act, accredited renewable energy power stations are allowed to create RECs for eligible renewable electricity generated above the renewable energy power station's baseline for 2008 generation year by the 31 December 2009 deadline. Renewable energy power stations which did not create RECs within the allowed timeframe are no longer eligible to create RECs for the eligible renewable electricity generated in the 2008 generation year. ORER estimates that:

- less than 350 RECs remained uncreated by 18 registered persons for the 2008 generation year, including 3 registered persons who failed to create RECs for eligible generation.
- 302 RECs were improperly created and became registered for the 2008 generation year relating to 4 registered persons.

Under section 21 of the Act, eligible SWH installation RECs must be created within 12 months of the installation date. If agents or individuals do not create RECs within the allowed timeframe they are no longer eligible to create RECs for their SWH installation.

## RECs created by 31 December 2009 by eligible renewable energy sources



Under regulation 19D of the Regulations for section 23A of the Act, eligible SGUs installed on or after 6 October 2007 must create RECs:

- within 12 months of the installation date for a one year or five year period
- at the end of the period that the right was exercised to create RECs. For example, a person created RECs for an installation for one year. At the end of that period the person may create RECs for another year until the end of the RET
- within 12 months of the installation date for a 15 year period. If this option is chosen no further RECs can be created for the installation.

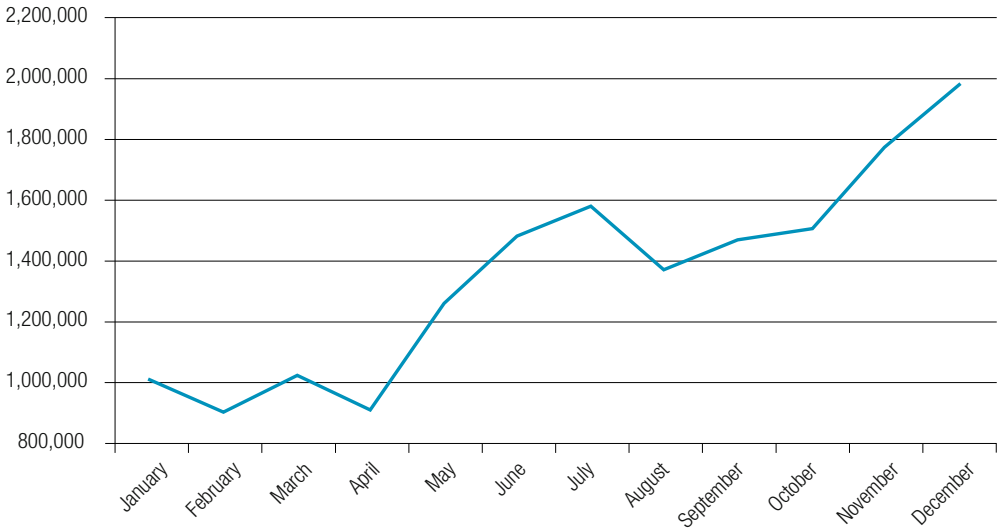
If agents or individuals do not create RECs within the allowed timeframe they are no longer eligible to create RECs for their SGU installation.

SGUs installed between 1 April 2001 and 5 October 2007 are eligible to create RECs at anytime for a one or five year period. At the end of each period owners or agents (if the RECs have been assigned) can create RECs for the next deeming period.

As was the case in previous years, ORER recommended that registered persons create their eligible RECs by 14 December 2009 in order to ensure RECs could be validated by the ORER through a validation process in January 2010 and be available for trading to liable parties prior to the compliance date of 15 February 2010. In 2009 there was a prompt response from registered persons to create RECs by 14 December 2009. As a result, the vast majority of the RECs created in December 2009 were registered prior to 14 January 2010.



### RECs created in 2009 by month



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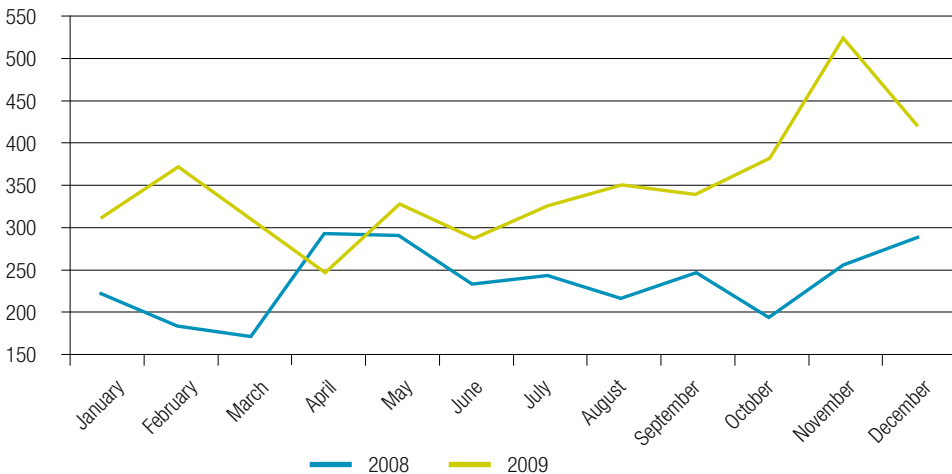
### REC transfer activity

A total of 12,676 REC transfers took place in the REC Registry as at 31 December 2009, representing a total of 86,718,169 RECs. Of these, 4,157 REC transfers occurred in 2009, representing a total of 29,024,622 RECs.

As at 31 December 2009, there were:

- 12,165 accepted transfers, representing 83,764,653 RECs
- 327 transfers cancelled by the sellers, representing 2,252,427 RECs
- 85 transfers rejected by the buyers, representing 686,726 RECs
- 99 pending action transfers, representing 14,363 RECs.

### Number of REC transfers by month



## Voluntary surrender

All registered owners of RECs can choose to make voluntary REC surrender offers for any reason under section 28A of the Act. For example, individuals or companies may choose to voluntarily surrender RECs:

- to encourage additional generation of electricity from renewable energy sources
- to meet GreenPower obligations.  
For more information on GreenPower visit [www.greenpower.gov.au](http://www.greenpower.gov.au)
- in a small number of cases to offset the impacts of improper creation of RECs. Improper creation of RECs can incur penalties and are reported as a fraudulent activity.

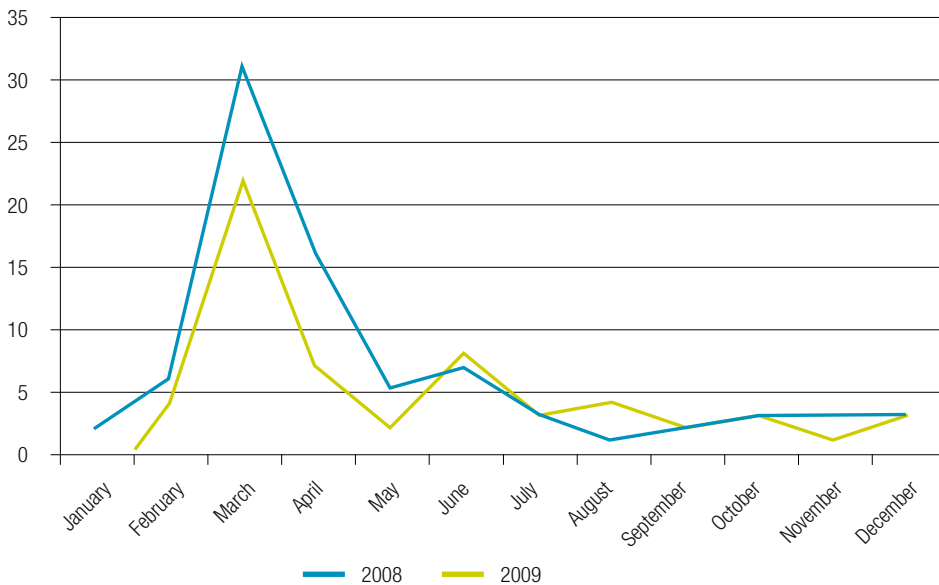
Any REC accepted for voluntary surrender is permanently removed from the REC market and cannot be transferred to another party or be used to discharge a mandatory

liability under the Act. Once the RECs are accepted by ORER they are marked as 'invalid due to voluntary surrender' in the REC Registry.

A total of 4,475,702 RECs, representing 161 offers, had been accepted for voluntary surrender in the REC Registry as at 31 December 2009. Of these 2,073,792 RECs, representing 59 offers, were accepted for voluntary surrender between 1 January 2009 to 31 December 2009. This is a decrease of 323,865 RECs and 23 offers as compared to the 2008 calendar year.

The number of RECs accepted for voluntary surrender decreased from 2008 to 2009. This can be attributed to GreenPower participants voluntarily surrendering RECs that were required to meet their 2001-07 obligations in 2008. These RECs were previously held in GreenPower participants accounts until the voluntary surrender functionality was provided in the REC Registry in late 2007.

Number of voluntary surrender offers accepted by month



## Compliance and assessment of annual statements and returns

The 2009 compliance period commenced on 1 January 2009 and ended on 31 December 2009. The due date for the lodgement of the EGR, SWH/SGUR, AEAS and RESS for the 2009 compliance period was 15 February 2010. Comprehensive details regarding the 2009 compliance period will be provided in the 2010 Annual Report.

The 2008 compliance period commenced on 1 January 2008 and ended on 31 December 2008. The due date for the lodgement of the EGR, SWH/SGUR, AEAS and RESS for the 2008 compliance period was 16 February 2009.

## Summary of EGR and SWH/SGUR compliance and assessment

EGRs and SWH/SGURs assessments for 2001 – 2008 generation years (or compliance years) were analysed and the number of RECs that remained uncreated are seen below. The table demonstrates the:

- amount of renewable electricity generated or deemed to have been generated for REC eligibility

- number of RECs which have been created and validated through a registration process (registered RECs)
- amount of RECs which cannot be created for eligible generation from accredited renewable energy power stations because nominated persons did not create the RECs within the timeline as stipulated under section 19 of the Act.

## EGR compliance and assessment

By 31 December 2009 a total of 264 EGRs were received for the 2008 generation year. Assessment of the EGRs continued throughout the 2009 calendar year, and 262 EGRs were completed as of 31 December 2009. A confirmation of the assessed EGRs was provided to the relevant company contact. Two EGRs will be carried forward for completion in 2010 as the ORER is awaiting information/clarification on the generation issues.

## SWH/SGUR compliance and assessment

By 31 December 2009 a total of 60 SWH/SGURs were received for the 2008 compliance period. All completed SWH/SGURs received by ORER were assessed by October 2009 with confirmation of the assessment provided by ORER to the relevant company contact.

## Comparing REC eligibility and registered RECs by generation years to view RECs remaining

Category	2001 <sup>(2)</sup> '000	2002 '000	2003 '000	2004 '000	2005 '000	2006 '000	2007 '000	2008 '000
<b>REC Eligibility <sup>(1)</sup></b>								
Deemed Units	217	528	712	821	1,011	1,050	1,625	3,632
Renewable Energy Power Stations	1,448	2,253	3,644	2,583	3,812	4,144	4,662	5,053
Total	1,665	2,781	4,356	3,404	4,823	5,194	6,287	8,685
<b>Registered RECs</b>								
Deemed Units	217	528	712	821	1,011	1,050	1,625	3,632
Renewable Energy Power Stations	1,446	2,252	3,644	2,583	3,812	4,144	4,662	5,053
Total	1,663	2,780	4,356	3,404	4,823	5,194	6,287	8,685
<b>RECs Remaining</b>								
Deemed Units <sup>(3)</sup>	-	-	-	-	-	-	-	-
Power Stations <sup>(4)</sup>	2	1	-	-	-	-	-	-

### Notes

<sup>1</sup> One megawatt hour of renewable electricity generated or deemed to have been generated equals one REC.

<sup>2</sup> The measure commenced on 1 April 2001. The first compliance period being 2001 was 9 months. All other compliance years are full calendar years.

<sup>3</sup> There are no remaining RECs for SWHs as the time allowed to create these deemed units has expired. From 6 October 2007 there are no RECs remaining for SGUs as the time allowed to create these deemed units has expired. From 1 April 2001 to 5 October 2007 there still could be RECs remaining for SGUs if eligibility requirements are met. There is no data available to report the number of RECs remaining for this category.

<sup>4</sup> The number of RECs remaining can change if EGRs are amended or additional information is received by ORER for example, at the conclusion of an audit. However, under section 19 of the Act nominated persons are no longer eligible to create RECs in respect of the 2001-2008 generation years after 31 December 2009.



## Summary of AEAS and RESS compliance and assessment

AEAS and RESS assessments for 2001 – 2008 compliance years were analysed by ORER. The below graph represents the number of RECs that have been accepted to discharge a mandatory liability under the Act for the given compliance year against the legislated target.

The 2010 RET is illustrated in the graph. The 2009 AEAS and RESS assessments will be finalised during 2010 and the RECs offered to discharge these liabilities will be accepted. RECs were offered to discharge 2009 liabilities under the Act between 1 January 2010 and 15 February 2010. These activities are reported in the 2010 Annual Report.

### AEAS and RESS compliance and assessment

By 31 December 2009, a total of 26,090,071 RECs were accepted for surrender against the 2001 to 2008 compliance periods and banked against future liabilities. RECs which have been accepted for surrender against future liabilities are carried forward surplus RECs. The carried forward surplus RECs can be used by relevant liable parties to discharge their liability for future compliance periods.

For the 2008 compliance period ORER identified that 215,586,941 MWh of electricity had been reported in liable acquisitions. This resulted in a liability of 6,769,436 RECs<sup>2</sup>.

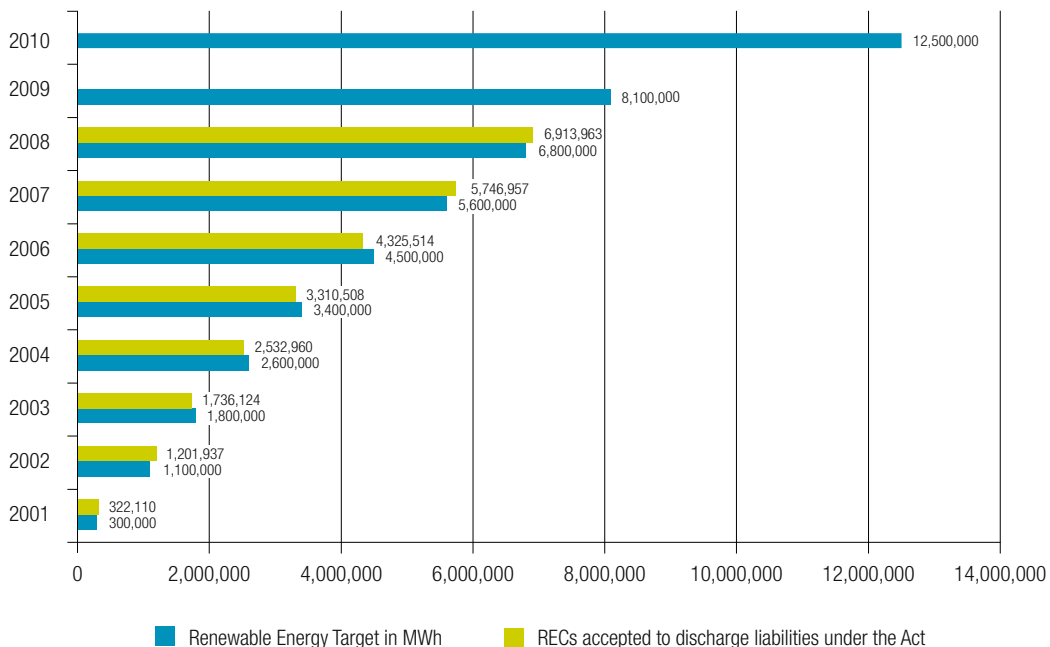
For the 2008 compliance period the majority of the AEAS/RESS were submitted to ORER by 16 February 2009, (the due date). A total of 72 liable parties were identified and were required to surrender RECs.

For the 2008 compliance period, only 3 out of the 72 liable parties had individual shortfalls. The 2008 shortfall was effectively 13,257 RECs. As on 31 December 2009 more than 99.81 percent of the 2008 liability was met by the surrender of RECs.

In addition to addressing 2008 liabilities, liable parties are permitted by the Act to provide RECs to redeem any outstanding shortfall charges in the immediate three years following the shortfall year. During the 2008 compliance period assessment, REC shortfalls were reviewed for 2005 – 2007. One liable party redeemed a 2006 REC shortfall and three liable parties acquitted carried forward REC shortfalls.

By 31 December 2009, the number of liable parties with a REC shortfall for the 2001 – 2007 compliance periods was 9 and the total REC shortfall was 36,637 RECs.

### Summary of compliance against the Renewable Energy Target as at 31 December 2009



<sup>2</sup> The sum of individual liability may produce a total liability greater or lesser than the liability calculated by multiplying total liable acquisitions by the 2008 Renewable Power Percentage (RPP). This is due to the rounding of individual liability to whole RECs.



## Summary of REC surrender for the 2008 compliance period as at 31 December 2009

<b>RECs surrendered against 2008 liability</b>	<b>6,913,963</b>
RECs surrendered against 2001 – 2007 liability	19,176,108
Total RECs surrendered against 2001 – 2008*	26,090,071
<b>RECs surrendered against future liability</b>	<b>39,589</b>
<b>2008 liability acquitted by RECs surrender</b>	<b>99.81%</b>
Parties with a 2008 liability	72
<b>Parties with a 2008 shortfall</b>	<b>3</b>
Parties with a 2001 – 2007 shortfall	9
REC shortfall for 2008	13,257
<b>REC shortfall for 2001 – 2007</b>	<b>36,637</b>

\* This includes RECs surrendered against future liability

Note: Not all shortfalls resulted in the payment of the penalty of \$40/MWh, as shortfalls within 10% of the total requirement are carried forward to next year's REC liability.

## Compliance activities

The below table shows the compliance activities conducted by ORER on a monthly basis following the commencement of the compliance team in June 2009. These activities do not include ongoing investigations, desktop reviews or audits.

### Compliance activities July – December 2009

Activity	July	Aug	Sept	Oct	Nov	Dec
Site visits <sup>(1)</sup>	25	11	5	225	22	12
Outreach visits <sup>(2)</sup>	1	5	4	5	2	2
Warrants executed <sup>(3)</sup>		1	0	0	2	0
Compliance visits <sup>(4)</sup>		1	1	0	25	2
Suspension <sup>(5)</sup>						1

<sup>1</sup> Site visits include physical visits to installation sites and power stations, but also include physical checks of sites where installations are viewed from the street to confirm that an installation has occurred.

<sup>2</sup> Outreach visits are visits to stakeholders that are not in response to a specific compliance issue and can be instigated either by ORER or as a request from the stakeholder.

<sup>3</sup> Warrants executed refers to the execution of monitoring warrants under s125 of the Act.

<sup>4</sup> Compliance visits refers to visits to stakeholders in relation to specific compliance issues.

<sup>5</sup> Suspension of agent's registration.

## Liability assessment audits

In 2009 ORER initiated four field audits for liable parties relating to the 2008 compliance period liability. All four audits were completed in 2009. The audits were performed to substantiate information provided to the ORER, and to determine compliance with the Act.

The field audits confirmed that all but one audited liable parties were reporting consistently and fully in accordance with the legislation. As in previous years ORER found that some liable parties appear to lack the proper internal procedures that would lead to efficient and accurate reporting of relevant acquisitions.

## Compliance outcomes

As a result of an investigation undertaken by ORER the Regulator has suspended the registration of an agent in December 2009 for six months under section 30A (1) & (2) of the Act. The compliance activities undertaken since the commencement of the compliance team in June 2009 have increased stakeholder awareness of compliance obligations through the updated compliance web page, agents workshops in Melbourne, Sydney, Brisbane and Perth and numerous outreach visits to agents. The inclusion of compliance statistics on the web page aims to send a clear message to stakeholders of ORER's commitment to ensuring compliance with the Act by all parties.



# Chapter 3

## Other activities

### Amending the Act

ORER continues to work with the Department of Climate Change to identify issues and develop solutions in respect of a variety of administrative matters related to the RET.

During 2009 amendments supporting the expansion of the RET were implemented to the Act and the Charge Act. Both amendment bills were passed on 20 August 2009 and received Royal Assent on 8 September 2009. The legislation commenced on the 9 September 2009.

Amendments to the Act include:

- Increasing and extending the RET. The target increases from 9,500 GWh to 45,000 GWh by 2020. The target is extended from 2020 to 2030
- providing a REC Multiplier (Solar Credits) for eligible small generation units (small-scale solar PV, wind and hydro electricity systems). The REC multiplier applied to eligible systems installed on or after 9 June 2009
- Partial exemption from liability under the scheme in respect of emissions intensive trade exposed activities
- Transition of existing and proposed state renewable energy target schemes into the RET
- Providing eligibility for existing waste coal mine gas power projects
- COAG examining some of the eligibility provisions of the RET for new small-scale technologies as well as heat pumps and rules for off-grid resource projects to ensure that the eligibility rules remain relevant over time to reflect new technologies and recent developments in renewable technology and resource project development structures
- Providing an opportunity to review the operation of the RET as soon as practicable after 31 December 2013.

Amendments to the Charge Act include increasing the RESC from \$40 per MWh to \$65 per MWh. The RESC encourages compliance with the RET as liable parties who do not meet their obligations to purchase RECs will need to pay the RESC.

### Amending the Regulations

The Regulations, which were first established on 6 February 2001 were amended five times during 2009. This was in addition to the twenty amendments until 31 December 2008.

The *Legislative Instruments Act 2003* allows proposed regulation amendments which are of a minor or machinery nature and that do not substantially alter existing arrangements to be exempt from a public consultation process.

Amendment rounds twenty one to twenty five were consequential to and support the 2009 Amendment Act. For information on these amendments contact the Renewable Electricity Markets, Strategies and Coordination Division of the Department of Climate Change.

### REC Registry

The Act requires the Regulator to maintain four registers by electronic means. A REC Registry is made available for this purpose and also allows for the online creation, registration, transfer, voluntary surrender and surrender of RECs. The REC Registry has been in operation since 1 April 2001.

The REC Registry was launched on 5 June 2006 at <https://www.rec-registry.gov.au>, following the awarding of the contract to develop and run the REC Registry software through to 31 July 2010 to AusRegistry International Pty Ltd.

Two scheduled upgrades to the software took place in 2009. Version 1.5, released in May 2009, incorporated Solar Credits functionality in to the REC Registry and improved the process used to upload large numbers of SGU installations. Version 1.6 was released in December 2009, adding a new public calculator, functionality for Solar Credits, and several other important updates.





## Advice to industry

ORER communicates regularly with stakeholders including circulating reminders of the annual reporting and compliance requirements and to inform stakeholders of software upgrades to the REC Registry.

In addition, a wide range of information was provided through ORER's website, [www.orer.gov.au](http://www.orer.gov.au), to advise the participants of the framework and processes for participating in the RET. Information was also sent directly to all REC Registry users via email on a number of occasions.

## Working with industry

ORER has dedicated substantial resources to working with stakeholders to improve their understanding of the legislation and regulations, facilitate involvement in the scheme and provide support throughout the measure.

In 2009, ORER continued the positive interaction with the participants to ensure all parties were familiar with their obligations and entitlements under the legislation. ORER continued to provide telephone/email assistance and met face to face with many stakeholders and interested parties. This has included conducting a series of agents workshops in October 2009. The Regulator also presented at several public forums. This extensive contact and feedback enables ORER and participants to refine and develop systems to better align with the requirements of the Act.

## Working with Government agencies

ORER maintains strong links with the Department of Climate Change and the Department of the Environment, Water, Heritage and the Arts. ORER also liaises with other interested Commonwealth and State Government Departments and agencies. Some of these include NSW Greenhouse Gas Abatement Scheme, GreenPower, Queensland Gas Energy Certificate Scheme, and the Western Australian Sustainable Energy Development Office and the Essential Services Commission, responsible for the Victorian Renewable Energy Target scheme.

## Working with the community

ORER provides information to a variety of stakeholders, ranging from individuals wishing to create RECs for SWHs, to special purpose interest groups and renewable energy power station proponents.



# Glossary

## **AAT**

Administrative Appeals Tribunal

## **Accreditation**

A process of determining if a power station is eligible to participate in the RET and contribute to the achievement of annual targets

## **AEAS**

Annual Energy Acquisition Statement

## **Agents**

Agents are registered persons that are able to create RECs on behalf of owners of eligible solar water heater or small generation unit installations

## **Baseline**

During the accreditation process of a power station the Regulator determines the baseline by generally using the average amount of annual electricity generated from eligible renewable energy sources over the 1994, 1995 and 1996 years. Eligible power stations can only create RECs for electricity generated above the baseline.

Power stations which generated electricity for the first time after 1 January 1997 have a 1997 renewable power baseline of zero

## **Compliance period**

The period, over which each annual target must be achieved, which, except the 2001 year, is a full calendar year

## **COAG**

The Council of Australian Governments (COAG) is the peak intergovernmental forum in Australia. COAG comprises the Prime Minister, State Premiers, Territory Chief Ministers and the President of the Australian Local Government Association (ALGA)

## **Deemed unit**

A solar water heater or small generation unit installation that is eligible for REC creation. The eligibility requirements for deemed units are set out in the Regulations

## **EGR**

Electricity Generation Return

## **Eligibility**

The eligibility to create RECs

## **Eligible Parties**

Parties that are eligible to create RECs for renewable electricity generated by accredited power stations or for deemed units

## **IBRS**

Internet Based Registry System, which is also referred to as the REC Registry. Website – <https://www.rec-registry.gov.au>

## **kW**

Kilowatt—one thousand watts

## **kWh**

Kilowatt-hour—a measure of electricity generation or use. One thousand watt hours

## **Liability**

The liability to surrender RECs or pay a renewable energy shortfall charge

## **Liable Parties**

Parties that make wholesale acquisitions of electricity

## **Minister**

Minister for Climate Change and Water

## **MWh**

Megawatt-hour—a measure of electricity generation or use. One thousand kilowatt-hours

## **ORER**

Office of the Renewable Energy Regulator

## **Nominated person**

A nominated person is able to apply for accreditation of a power station under the Act. The nominated person can be the owner, operator or a stakeholder of the power station



**REC**

A renewable energy certificate is a commodity in the REC market. RECs are created by eligible parties and sold to liable parties via the REC Registry to meet their liability under the RET

**RET**

Renewable Energy Target, enacted through the Act and the Regulations

**Registered person**

A person registered under section 11 of the Act and listed in the register of registered persons. Only registered persons are able to create RECs

**Regulator**

The Renewable Energy Regulator appointed under section 143 of the Act to oversee the achievement of the RET

**RESC**

Renewable Energy Shortfall Charge

**RESS**

Renewable Energy Shortfall Statement

**RPP**

Renewable Power Percentage sets the rate of liability, achieves the legislated targets and must be published in the Regulations prior to 31 March of the year it applies to

**SGU**

A small generation unit is a device that generates electricity using either hydro, solar or wind energy and can be a deemed unit under the Regulations

**SWH**

A solar water heater is a device that heats water from solar energy and can only create RECs as a deemed unit under the Regulations. Solar water heaters that are eligible to create RECs are listed in the Register of Solar Water Heaters

**SWH/SGUR**

Solar Water Heater and Small Generation Unit Return

**The Act**

The Renewable Energy (Electricity) Act 2000

**The Amendment Act**

The Renewable Energy (Electricity) Amendment Act 2009

**The Charge Act**

The Renewable Energy (Electricity) (Charge) Act 2000

**The Regulations**

The Renewable Energy (Electricity) Regulations 2001

**Voluntary REC surrender**

Section 28A allows a registered owner to offer RECs for surrender for any reason other than to comply with mandatory liabilities under section 44 or 95. A REC that is accepted for surrender under section 28A is permanently removed from the REC market