



Small-scale Renewable Energy Scheme product listing nomination consultation report

Executive Summary

On 15 July 2024, we published the proposed nomination of the Clean Energy Council (CEC) as the product listing body (PLB) for solar panels and inverters eligible under the Small-scale Renewable Energy Scheme (SRES). Following this announcement, and in accordance with r 20AE(5) of the Renewable Energy (Electricity) Regulations 2001 (Regulations) we opened a 28-day affected persons consultation period from 15 July to 11 August 2024. Submissions were invited from persons affected by the proposed nomination, such as manufacturers, consumers advocates and persons responsible for the importation of solar photovoltaic modules.

Purpose

As outlined in the Regulations, all submissions received during the consultation period must be considered before making a decision to nominate a PLB. The purpose of this report is to share the outcomes of the consultation processes described above. The report provides details of the key themes within the submissions and our consideration of how these will be addressed or managed.

Key themes in written submissions

A total of 175 submissions on the proposed nomination were received. A large majority of submissions were concerned with the current product listing process managed by the CEC, rather than in relation to the proposed new scheme. We considered all submissions made during this consultation period and assessed if the new service proposed by the CEC would address industry concerns.

While not all themes are included in this report, the key themes identified were:

- Slow application processing timeframes
- Lack of visibility on application processing
- Product listing fees
- Lack of communication and responsiveness
- Handling of product recalls
- Supply chain impacts



CER Considerations

Following a review of submissions, an additional assessment of the application and request for further information (RFI) responses provided by CEC was undertaken. We then identified areas within the application that addressed those industry concerns.

The following table contains information on the themes of the submission and how these issues are addressed within the CEC application.

| Submission Themes | CER Considerations |
|--|---|
| <p><u>Slow application processing timeframes and Lack of visibility on application processing</u></p> <p>Respondents expressed their concerns about CEC’s timeliness processing applications within stated timeframes under the CEC’s current product listing services. Examples included:</p> <ul style="list-style-type: none"> product approval applications exceeding the CEC’s approval timeframes up to many months resulting in delays in getting product to market, increased costs and loss of revenue to manufacturers and importers some describing overall frustration with the timeframes. <p>Some respondents suggested nomination of a new body or recommended that CEC implement improvements to the process to reduce timeframes and improve transparency of the application process.</p> <p>While manufacturers are generally supportive of the CEC, listed improvements to application processing timeframes was an area of improvement.</p> | <p>The CEC’s application advised:</p> <ul style="list-style-type: none"> a Standard Operating Procedure (SOP) for application processing with clear timeframes for the various stages involved setting of key performance indicators to measure success against the timeframes a digital portal for managing the end-to-end application process with a range of key features to enhance efficiency and transparency including application lodgement confirmation and status tracking. <p>The CEC leadership team is accountable to ensure monthly performance reports are met, staffing is adequate and risks and emerging issues are addressed.</p> |
| <p><u>Product listing fees</u></p> <p>A number of submissions considered that the fees charged for listing products were expensive, with a number asking for the CEC to re-consider the fee structure for listing, specifically, the batching approach (one application is for ten models of inverters or twenty panels). A small number suggested the option to include listing of single models. Several submissions suggested reviewing the 3-year product listing limit when product certificates and reports are valid for 5 years. Some</p> | <p>Under the current nomination, there is proposed to be no change to the fee structure.</p> <p>We understand that cost to industry was an important consideration. Through our evaluation, the CEC’s overall fee structure remains the most competitive and demonstrated better value for money for the majority of industry participants, including no annual listing fees.</p> |



submissions noted that the CEC charges for multiple configurations of products.

Lack of communication and general lack of responsiveness

A number of responses noted the CEC weren't responsive to their enquiries. Examples were provided relating to the product listing process, including:

- not responding to phone calls or emails
- no transparency in the process, contributing to delays in getting products listed.

Some submissions outlined the perception that CEC members received preferable treatment over non-members in both application processing and general responsiveness.

The CEC's application outlined responses to calls and emails will be responded to on a first come, first serve basis. The CEC have also cross-skilled administrative staff to ensure all programs are supported. While the CEC have a dedicated administrative employee for the Product Program, the cross skilled team retains flexibility to manage emails, calls and administrative tasks amid demand spikes.

We note that providing scheme participants with transparency for application processing may contribute to alleviate concerns related to communication on application processing. We will implement KPIs and regular reporting requirements under a scheme management plan to monitor this element.

Historically poor handling of product recalls

Several submissions noted historically poor handling of product recall information. The submitters said the CEC did not convey this information in a proactive way to the industry, and products that were on the approved list suddenly were no longer supported without an effective communication plan. In some instances, this resulted in lost income for agents.

The CEC's application noted it operates a SOP for handling product recalls, including ongoing monitoring for recalls, and promptly publishing recall information on their website.

In cases where an imminent safety risk is identified, CEC notify both the CER and relevant State, Territory, and Commonwealth regulators for electrical safety and consumer law, such as the ACCC.

The CEC also publish a list of removed models and provide relevant information about the reasons for removal, including safety defects, product performance deficiencies, and product recall information.

While the CEC have procedures in place, we note that manufacturers and importers are obligated to declare any ongoing recalls or safety notifications during the application process.

Supply chain impacts

A number of responses noted that varying combinations of processing timeframes, organisational efficiency, staffing and handling of product recalls affect the broader supply chain. Examples from submissions include:

We acknowledge there can be various reasons contributing to supply chain impacts, however the key reasons are attributed to lack of communication and processing timeframes.

The CEC's application sets out processes and procedures for processing applications, handling of product recalls, and increased staffing for the team.



- delays in product listing affected marketing and product delivery in a highly saturated market resulting in loss of revenue.
- poor communication in relation to inverter product recalls had financial impacts on REC agents which can have flow on effects to installers.

Broadly, the supply chain impacts are addressed under relevant themes in this table, see for example, application processing delays and Communication.

Conclusion

The CER considers these key themes have been addressed and can be managed through regular reporting, measurement against key performance indicators and process reviews.

The CER's nomination of the CEC as the PLB is a regulatory decision. This differs to previous co-regulatory arrangements that the CEC operated its scheme under. The CEC will be required to operate and manage its scheme as proposed in its application.

Under this arrangement, the CERs role is strengthened to ensure the CECs performance and delivery of the improvements to which it has committed are met.

The CEC have already commenced work on their enhancements including increased staffing and improved user experience through online product listings.