# Solar for Apartments Program

Round 1: Eligibility requirements and how to apply

solar.vic.gov.au









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We acknowledge and respect Victorian Traditional Owners as the original custodians of Victoria's land and waters, their unique ability to care for Country and deep spiritual connection to it.

We honour Elders past and present whose knowledge and wisdom has ensured the continuation of culture and traditional practices.

DEECA is committed to genuinely partnering with Victorian Traditional Owners and Victoria's Aboriginal community to progress their aspirations.

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### Minister's foreword

Delivering real benefits for Victorians by helping them take control of their energy costs, adopt renewable energy and provide a cleaner, better future is a commitment of the Victorian Government



Since 2018, Solar Victoria has slashed energy bills for more than 300,000 Victorian households by helping them make the switch to solar and helping us meet our nation leading renewable energy target of 95 per cent by 2035.

To further meet this commitment, in September 2023 the Commonwealth and Victorian Governments announced a joint \$16 million partnership to support apartment households to benefit from lower energy bills through self-generated solar electricity. This landmark partnership administered by Solar Victoria will support existing Victorian apartment buildings to transition towards electrification while assisting low-and middle-income apartment residents, including renter households, to reduce their energy bills greenhouse and greenhouse gas emissions.

This program will benefit apartment owners and residents through lower upfront costs for the installation of Solar (PV), ongoing cost saving benefits of solar energy and the means to tackle climate change. It will also increase the uptake of Solar (PV) throughout the state by reaching new households and provide new economic opportunities for Australian and New Zealand businesses through supporting local content.

Solar Victoria has worked with apartment residents and organisations across local government, property and technology sectors to deliver a program that will develop industry capacity to meet the renewable energy needs of apartment residents.

Solar Victoria is currently seeking applications from eligible Owners Corporations across Victoria. By taking part in this program, you will not only be helping more Victorians take control of their energy bills, tackle climate change and build a cleaner, renewable future, but you will also ensure that safe, reliable, and effective solar technologies are installed on apartment buildings throughout the state.

The Hon. Lily D'Ambrosio MP

Minister for Climate Action Minister for Energy and Resources Minister for the State Electricity Commission

## 1. What is the Solar for Apartments Program?

The Solar for Apartments Program (the Program) will provide funding to eligible Owners Corporations (OCs) to install solar on eligible apartment buildings.

The grants will be funded through an equal contribution of \$8.05 million from the Victorian Government and \$8.05 million from the Commonwealth Government. The Commonwealth's contribution is part of its Community Solar Banks program, which is helping apartment residents and renters across the country drive down their energy bills through shared solar initiatives.

Installing solar will help apartment residents save money on their energy bills, including heating, which is one of the biggest uses of energy in the home. The Program will help more renters and lower-income Victorians living in apartments to enjoy the benefits of cheap solar energy.

#### 2. Overview of this document

The purpose of this document is to set out the Program's details, including the funding available, the Eligibility Requirements and information about the assessment process.

Applicants to the Program who are considered by Solar Victoria to be eligible for funding will be provided with conditional approval. Following conditional approval, applicants will be required to provide further information to be considered for final approval. Successful applicants will receive final approval from Solar Victoria and be invited to sign a Funding Agreement.

The Program is also governed by terms and conditions which can be viewed online at www.solar.vic.gov.au/rebate-terms-conditions

Details in this document may be subject to change. If there is a change, Solar Victoria will publish the changes on its website.

Capitalised terms in this document are defined in **Section 13**.



#### 3. Eligibility requirements

#### 3.1. Eligible customer

Grants will be provided to Eligible OCs.

To be eligible, an OC must:

- a. be a Victorian 'tier three Owners Corporation' or 'tier four Owners Corporation', as defined by the Owners Corporations Act 2006 (Vic) (these are OCs that consist of 3 to 50 occupiable lots and are not a 'services only Owners Corporation'); and
- b. have not previously received a grant under this Program.

The application can be submitted by the OC's committee, an individual resident or the OC's strata management company on the OC's behalf. Individual residents and strata managers will be required to declare that they are authorised by their OC to submit an application under the Program.

#### 3.2. Eligible properties

To be eligible for funding under the Program, the building must:

- a. be no more than 8 storeys tall;
- b. be a completed development at the time of application;
- c. be a Class 2 domestic building under the National Construction Code;<sup>1</sup>
- d. have a median capital improved apartment value that does not exceed \$950,000;
- e. have not had a solar (PV) system installed in the last ten years;² and
- f. be located in the State of Victoria.
- 1. See the Victorian Building Authority's website for more information.
- 2. The OC may apply for funding to install solar PV for residential lots not already connected to an existing system.

#### 3.3. Eligible systems

To be eligible for funding under the Program, the proposed solar PV system must:

- a. supply power to a minimum of 5 residential lots, and no more than 50 lots;
- b. demonstrate an annualised return on investment of 10% or higher (i.e. the payback period for the total purchase and installation cost is 10 years or less)\*;
- equitably share the cost and benefits of the installation with participating residents\*\*;
- d. limit the energy supplied to the building's common area to the equal proportion available to each residential lot;
- e. supply power to residential lots behind the meter;
- f. be installed on parts of the roof that are common property;
- g. use products from Solar Victoria's Eligible
   Products list, or otherwise expressly agreed to by
   Solar Victoria in writing; and
- h. use Solar Victoria authorised solar retailers and accredited installers, or otherwise use retailers and installers expressly agreed to by Solar Victoria in writing.

\*For the purposes of calculating the expected annualised return and payback period, total system cost minus the value of any Small-Scale Technology Certificates (STCs) shall be used.

\*\*Residential buildings with commercial lots are eligible subject to demonstrating equitable sharing under 3.3 c) with Solar Victoria.

Solar Victoria's authorised solar retailers and accredited installers will be required to comply with Solar Victoria's 'Retailer terms and conditions' and 'Installer terms and conditions' in relation to the Program.

More details on Solar Victoria's authorised solar retailers and accredited installers can be found on the website here.

An OC may propose a solar PV system that is most suited to its needs, for example, a system made up of multiple individual solar PV systems directly connected to apartments behind the meter, or a single large solar PV system coupled with solar sharing technology.

It is recommended that OCs propose solar PV systems that connect to all apartments, including those that are rented. OCs should engage both owner occupiers and owner investors on the benefits of the program and encourage their participation. This ensures that all residents can fairly benefit from the Program and may help to reduce installation costs.

Approval from your Distribution Network Service Provider (DNSP) is required to connect and export self-generated solar to the grid. The process and technical details for grid connection will vary depending on your specific electricity distributor. Find your electricity distributor on the Electricity Distributor section of <u>Victoria's Energy website</u> or speak to your solar retailer for more information.

You may require a planning permit from your local council to install a solar PV system on your building. Contact your local council for guidance.

## 3.4. Sharing of solar PV system costs and benefits

OCs must equitably share the solar PV system's purchase and installation cost and energy cost savings with participating residents. OCs have obligations under the *Owners Corporations Act 2006* (Vic) about the determination of fees and charges. For example, there are requirements to levy special fees and charges to cover extraordinary items of expenditure based on lot liability, and where works are carried out for the benefit of some or one, but not all, of the lots affected, fees and charges must be levied on the basis that the lot owner of the lot that benefits more pays more.

To apply for final approval and be eligible for funding under the Program, the OC will be required to make a declaration that the solar PV system's settings will comply with the benefits sharing and common area supply requirements in *Section 3.3(c) and (d)*.

#### 3.5 What projects will not be funded?

In accordance with **Section 3.1**, only OCs are eligible for funding under the Program. Other entities are not eligible for funding under the Program, including:

- Individuals;
- government agencies;
- private sector businesses and agencies;
- educational institutions;
- local government authorities; or
- not for profit organisations.

A building will not be eligible for funding if it is:

- a retirement village or commercial building;
- owned by a local council, property developer or community housing organisation; or
- connected to an embedded network for its electricity supply.

The solar PV system will not be eligible for funding if it:

- is installed through a third-party Power Purchase Agreement;
- exclusively provides energy to common areas of the property;
- connects to apartments with an existing solar PV system that was installed in the last 10 years; or
- has already been installed.

## 4. What are the funding details?

The total Program funding available is \$16.1 million, ending 30 June 2025.

The funding will be made available in grant application rounds, with the first to open on **13 February 2024**. Further grant application rounds will be available later in 2024.

OCs that satisfy the Eligibility Requirements may be provided up to \$140,000 to install a solar PV system.

Successful applicants may receive funding for up to 100% of system purchase and installation costs, to a maximum of \$2,800 per participating apartment.

The grant value will be calculated based on the total cost of system purchase and installation (including GST), net of any small-scale technology certificates (STC) or other government incentives the project will attract.

Solar PV system purchase and installation costs can include panels, mounting, inverters and associated AC and DC cabling, labour, safety equipment, as well as solar sharing technologies.

The OC must fund any difference between the funding provided to the OC under the Program, and the actual costs of purchase and installation of the solar PV system.



#### 5. Application process

You can submit an application through the Solar Victoria website: <u>solar.vic.gov.au/apartments</u>.

By submitting an application, you acknowledge and agree to the <u>terms and conditions</u> provided on the Solar Victoria website.

The process is outlined below:

Step		What it involves	Key dates
1	Submit an application	Submit an application addressing the information specified in <b>Section 6</b> of this document.	Opens: 13 February 2024 Closes: 15 April 2024
2	Conditional approval (eligibility check)	Solar Victoria will assess your application and verify the OC's eligibility for the Program.  You will be notified of the outcome or contacted for further information 10 business days from the submission of your application.	Applicants will be contacted by 29 April 2024
3	Final project approval	Once the conditions have been met, the OC will be invited to sign a Funding Agreement.  At this step, you will be notified of the final funding amount that your OC will receive. Once the Funding Agreement has been signed by Solar Victoria and the OC you can proceed with installing the system.	By 31 July 2024
4	Solar PV installation and payment	You will be asked to provide evidence to Solar Victoria that your solar PV system has been installed.  Once the evidence is validated, Solar Victoria will pay the grant amount to the OC.	Project timelines will be specified in the Funding Agreement.
5	Solar PV operation and knowledge sharing	You will share data on system performance as agreed in the Funding Agreement. This data may be used by Solar Victoria to prepare deidentified case studies to help demonstrate the benefits of installing solar to other OCs.	

Applications that are not given conditional approval will be notified and, if suitable, encouraged to apply in the next grant application round. Solar Victoria may provide these OCs with guidance on what is required for the application to be successful in future rounds.

#### 6. What information will I need to provide?

#### 6.1 Grant application

You will need to complete a Solar Victoria application form that includes, but is not limited to, the following:

- the proposed number of apartments that will be connected to the Solar PV system, including the number of owner occupier and rental apartments;
- details on the proposed solar PV system; including system design (shared system or individual systems for each apartment), capacity, costs, expected energy generation and cost savings for residents; and
- a declaration that your OC supports the submission of a grant application and you are authorised to provide the declaration on the OC's behalf.

You may wish to obtain independent advice and/or a solar feasibility assessment to help your OC understand the benefits and potential issues of installing solar PV at your property, particularly for complex installations.

You will need to submit the following supporting documents with your application:

- a copy of the building's registered plan of subdivision, registered plan of strata subdivision or registered plan of cluster subdivision (as applicable); and
- 2. An initial quote from a Solar Victoria authorised solar retailer OR an independent solar feasibility assessment by a suitably qualified professional that details the proposed system design and provides an estimate of the expected system capacity, energy cost savings and total purchase and installation cost. The quote or assessment should include the expected value of any STC's the project will attract.

Your application will be assessed and, if Solar Victoria determines it is successful, Solar Victoria will 'conditionally approve' your project and provide an indicative grant funding value.

#### 6.2 Final approval and Funding Agreement

If you are conditionally approved for funding under the Program, you will then need to finalise the details of your solar PV project before entering into a Funding Agreement with Solar Victoria. This includes settling on a final system design and cost and confirming the number of participating lots.

The OC must pass a special resolution to enter into the Funding Agreement before applying for final approval.

You will need to provide the following evidence to Solar Victoria to apply for final approval:

- 1. The final quote for the solar PV system from a Solar Victoria authorised solar retailer. This will include the final system design (including the eligible products to be installed), total cost for supply and installation of the Eligible System, the value of STCs applied to the project, the location on the building where the system will be installed, the final number of participating apartments, and any relevant connection details;
- 2. An assessment of payback period or return on investment for the proposed PV system calculated at the apartment level. The payback period assessment shall be based on the total cost for supply and installation of the Eligible System after any STCs have been applied and prior to application of the funding from the Program; and
- 3. Evidence that your OC has been authorised to enter into a Funding Agreement and accept the final quote for the purchase and installation of the solar PV system on common property. This will be evidenced by providing a letter signed by two OC members from individual lots confirming:
  - i. that a special resolution, in the form required by Solar Victoria, has been passed;
     AND
  - ii. that the proposed solar PV system will equitably share the purchase and installation cost and energy cost savings with participating residents.

It is recommended that you obtain quotes from three different Solar Victoria authorised solar retailers to compare prices and services. You will only need to provide your preferred final quote to Solar Victoria.

Solar Victoria will provide you with resources to support your final application, including the terms and conditions of funding.

#### 7. How will applications be assessed?

Solar Victoria will review applications for completion and check that they meet the Eligibility Requirements. You may be invited to provide further information to demonstrate you meet the eligibility requirements during the assessment process (see the Program's terms and conditions).

Applications that do not meet the Eligibility Requirements will not be considered further in the assessment process.

#### 8. What are the Funding Conditions?

#### 8.1 Final approval and Funding Agreement

OCs eligible for final approval will be invited to enter into a Funding Agreement.

The Funding Agreements will outline each party's commitments and obligations and the terms and conditions for funding. No funding will be provided until Solar Victoria and the applicant have executed the Funding Agreement and the appropriate milestone evidence identified in the Funding Agreement has been met.

Solar Victoria reserves the right to withhold payments where evidence has not been provided or Solar Victoria deems that there are concerns relating to the delivery of the project. In this instance, Solar Victoria will only provide funding when appropriate actions have been taken to ensure the project is delivered within the agreed timeframes.

The Funding Agreement will be provided to OCs which are granted conditional approval by Solar Victoria.

#### 8.2 Legislative and regulatory requirements

By submitting an application, applicants agree to comply with all relevant Commonwealth and state/territory legislation and regulations, including but not limited to:

- Privacy and Data Protection Act 2014 (Vic)
- Privacy Act 1988 (Cth)
- Freedom of Information Act 1982 (Vic)
- Occupational Health and Safety Act 2004 (Vic)

#### 8.3 Tax implications

Applicants should consult the Australian Taxation Office or seek professional advice on any taxation implications that may arise from receiving any funding under the Program.

Successful applicants without an ABN must provide a completed Australian Taxation Office form 'Statement by a Supplier'.

## 8.4 Acknowledging the Victorian Government's support

Successful applicants will be required to comply with Solar Victoria's 'Acknowledgment and Publicity Guidelines for Victorian Government Funding Support' (<a href="https://www2.delwp.vic.gov.au/grants">https://www2.delwp.vic.gov.au/grants</a>) under the Funding Agreement. Successful applicants must liaise with Solar Victoria's program area prior to any public events or announcements related to the Program.

#### 8.5 Payments

Payments will be made based on defined milestones under the Funding Agreement as agreed with Solar Victoria.

Payments will only be made if:

- the Funding Agreement has been signed by both parties;
- successful applicants provide milestone documentation/evidence as required under the Funding Agreement, or otherwise demonstrate that the activity is progressing as expected; and
- other terms and conditions of funding continue to be met.

No payments will be made prior to the Funding Agreement being signed.

#### 8.6 Monitoring

Successful applicants are required to comply with project monitoring and reporting requirements as outlined in the Funding Agreement. This may include progress reports, site inspections, completion reports, system audits and acquittal documentation.

#### 8.7 Privacy

Any personal information about you or a third party in your application will be collected by Solar Victoria for the purposes of administering your grant application and informing Members of Parliament of successful applications. Personal information may also be disclosed to external experts, such as members of assessment panels, or other Government Departments for assessment, reporting, advice, comment or for discussions regarding alternative or collaborative grant funding opportunities. If you intend to include personal information about third parties in your application, you must obtain their consent.

Any personal information about you or a third party in your correspondence will be collected, held, managed, used, disclosed or transferred in accordance with the provisions of the *Privacy and Data Protection Act 2014* (Vic) and other applicable laws

Solar Victoria is committed to protecting the privacy of personal information. You can find the Solar Victoria Privacy Policy online at www.solar.vic.gov.au/privacy.

#### 9. What is the application process?

To apply, go to the Program's web page <a href="https://www.solar.vic.gov.au/apartments">www.solar.vic.gov.au/apartments</a> and click on the 'Start New Application' button. To return to a saved draft application, click on the 'Access Saved Application' button.

#### Attaching required documents:

Supporting documents must be in an acceptable file type, such as Word, Excel, PDF, or JPEG.

You will receive an application reference number when you submit an application online. Please quote this number in all communications with Solar Victoria relating to your application.

If you have documents to submit that cannot be attached to your online application you can email them to <u>apartments@team.solar.vic.gov.au</u>, quoting your application number.

You must submit your application by **5pm on 15 April 2024.** 

No hard copy applications will be accepted. Late and incomplete applications will not be considered.

#### 10. Additional information

Additional information is available at the program web page <a href="www.solar.vic.gov.au/apartments">www.solar.vic.gov.au/apartments</a>

If you require assistance submitting your application online, email apartments@team.solar.vic.gov.au.

#### 11. What is the notification process?

Successful and unsuccessful applicants will be notified in writing after the assessment process is completed. All decisions are final and are not subject to further review. Unsuccessful applicants can ask for feedback on their application. Feedback may be provided at Solar Victoria's absolute discretion.

#### 12. Applicant questions

Applicants can send questions relating to this document, the application process and the Program to Solar Victoria via email (see below).

Questions must be lodged no later than **5pm on 10 April 2024**. Any information provided by Solar Victoria in response to any question raised by a potential applicant, may be published on Solar Victoria's "Frequently Asked Questions" webpage for the Program.

For more information:

- Solar Victoria webpage: www.solar.vic.gov.au/apartments
- Email the program team at: apartments@team.solar.vic.gov.au

#### 13. Definitions

Solar Victoria: The portfolio entity within the Department of Energy, Environment and Climate Action and its successor Government departments, which administers discretionary financial benefit or loan programs for the purpose of supporting the uptake and accessibility of solar energy products in residential properties.

**Eligibility Requirements:** The eligibility requirements for the Program specified in **Section 3** of these Guidelines.

**Eligible OC:** An eligible Owners Corporation as specified in **Section 3.1** of these Guidelines.

Eligible Property: An eligible property as specified in **Section 3.2** of these Guidelines.

**Eligible System:** An eligible solar PV system as specified in **Section 3.3** of these Guidelines.

**Funding Agreement:** A funding agreement to be entered into between Solar Victoria and an Eligible OC following final approval, a copy of which can be viewed online at <u>solar.vic.gov.au</u>.

**OC:** An Owners Corporation as defined under the *Owners Corporations Act 2006* (Vic).

**Program:** The Solar for Apartments Program as described in this document.