

Senate Finance and Public Administration Legislation Committee
Additional Estimates Hearing – February 2010
ANSWER TO QUESTION ON NOTICE

Topic: Solar Credits

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Question: (Senator Birmingham)

What about the impact of the so-called Phantom Credits from the Solar Credits scheme which artificially multiplies the RECs by five? Reports state that so-called phantom credits from the solar credit scheme artificially multiply the RECs by five – what impact has this had?

Answer:

Solar Credits are intended to provide support to households and small businesses that wish to install rooftop photovoltaic systems and other small-scale technologies by multiplying the number of Renewable Energy Certificates (RECs) that can be created for eligible installations.

RECs created through the Solar Credits multiplier account for a small proportion of total REC creations. From the start of the Solar Credits scheme on 9 June 2009 up to 28 February 2010, around 800,000 additional RECs were created through the Solar Credits multiplier. This can be compared with a target for 2010 of 12,500,000 RECs.

While the multiplier is currently five, it will reduce to four for systems installed from 1 July 2012 to 30 June 2013 and continue to reduce each year until it has phased out to the standard multiple of 1 from 1 July 2015.