

Horizon Power

Residential Net Feed-in Tariff Scheme Terms and Conditions

1. **Background**

- 1.1 The State Government has introduced a subsidy scheme to encourage the installation of residential renewable energy systems. The scheme is known as the 'residential net feed-in tariff' and will be paid to Eligible Customers per unit of net electricity exported into the Network from an eligible system. The scheme is a subsidy scheme and does not involve any sale or purchase of electricity by Horizon Power, or the State Government from a customer.
- 1.2 The State Government is responsible for funding the subsidy and for determining the terms and conditions of the subsidy, including its rate and duration and the eligibility criteria. To that end, the terms of the scheme may be subject to change by the State Government.
- 1.3 Horizon Power will administer the scheme in the Network on behalf of the State Government. The subsidy will be credited to each Eligible Customer's account in addition to the price paid under the existing Renewable Energy Buyback Scheme. Customers must be eligible for REBS to receive the net feed-in tariff.
- 1.4 On 19 May 2011 the WA State Government announced a reduction in the Subsidy rate from 40c/kWh to 20c/kWh effective from 1 July 2011.
- 1.5 A subsidy Scheme Capacity Limit of 150MW across Western Australia, has also been introduced. Feed-in tariff applications will not be accepted once this capacity limit has been reached.

2. **Definitions**

Terms defined in clause 1 of the REBS (Renewable Energy Buy-back Scheme) Terms & Conditions have the same meaning in these Terms and Conditions for Residential Net Feed in Tariff Scheme. These Residential Net Feed-in Tariff Scheme Terms and Conditions should be read in conjunction with the Renewable Energy Buyback Scheme Terms and Conditions.

In these terms and conditions:

Agreement means the agreement formed by Horizon Power and the Eligible Customer accepting these terms of conditions and includes the Application.

Commencement Date means the date determined under clause 4.

Eligible Customer means a residential Customer who meets, and continues to meet, each of the eligibility criteria for the Tariff Scheme applicable from time to time. Note: The eligibility criteria for the Tariff Scheme applicable as at 1 August 2010 are set out in clause 3.

FIT System means a photovoltaic, wind turbine or micro-hydro system that has a generating capacity up to a maximum of 30kW, installed at the Premises and is connected and ready to import and export electricity to and from the Network, which;

- (a) was new at the date of installation at the Premises; and
- (b) for systems installed on and after 1 August 2010, must be designed and installed by a Clean Energy Council accredited designer and installer.

Net Electricity Exported is defined in clause 5.5.

REBS Contract means the "Contract" referred to in the REBS (Renewable Energy Buy-back Scheme) Terms and Conditions.

Scheme Capacity Limit means a total of 150MW of renewable energy installations across Western Australia

Subsidy means the residential net feed-in tariff payable under the Tariff Scheme.

Tariff Scheme means the Residential Net Feed-In Tariff Scheme announced by the Minister for Energy on 27 May 2010, amended on 19 May 2011 and as amended from time to time.

Term means the period commencing on the applicable Commencement Date and ending on the date determined under clause 8.1.

The interpretation provisions set out in clause 17 of the REBS Contract also apply to this Agreement.

3. Eligibility for Payment

3.1 As at 1 August 2010, the eligibility criteria under the Tariff Scheme for a person to receive the Subsidy from Horizon Power are as follows:

- (a) the FIT System must be owned by the owner of the Premises at which the FIT System is installed;
- (b) the FIT System's maximum inverter capacity of up to a maximum of 30kW, installed in accordance with Horizon Power's technical requirements
- (c) the person must have an Electricity Supply Agreement for the Premises, whether as the owner or a tenant of the Premises, at which the FIT System is installed;
- (d) the Electricity Supply Agreement must be solely for domestic use;
- (e) the person must be party to a current REBS contract in respect of the Premises;
- (f) the FIT can only be received by an Eligible Customer at one property at any one time;
- (g) for newly installed systems on and from 1 August 2010, the FIT system must be designed and installed by a Clean Energy Council accredited designer and installer; and
- (h) the FIT System must be new at the time of installation at the Premises.

3.2 A tenant of the Premises at which the FIT System is installed is eligible if the person meets the criteria in clause 3.1

3.3 Applications by Eligible Customers will not be approved once the capacity limit has been reached.

4. Commencement Date

4.1 If an Eligible Customer has an existing REBS Contract as at 1 August 2010, this Agreement will commence:

- (a) on 1 August 2010 provided that Horizon Power receives the Eligible Customer's completed application form for Residential Net Feed-in Tariff by 30 August 2010; and
- (b) on the date Horizon Power receives the Eligible Customer's completed application form if Horizon Power receives the application form after 30 August 2010.

4.2 If an Eligible Customer does not have an existing REBS Contract as at 1 August 2010, this Agreement will commence on the later of the commencement date determined under clause 3 of the REBS Contract and the date on which Horizon Power receives the Eligible Customer's completed application form for Residential Net Feed-in Tariff.

4.3 The Eligible Customer acknowledges and agrees that if the Eligible Customer is not the first occupier of the Premises since the FIT System was installed, then the period for which the Eligible Customer may be entitled to receive the Subsidy will be reduced by the time that has elapsed since the date the Subsidy payment was first made.

5. Billing and Payment

- 5.1 During the Term, Horizon Power will pay the Subsidy payable under the Tariff Scheme to the Eligible Customer. Horizon Power will publish the rate of Subsidy applicable from time to time.
- 5.2 For Eligible Customers receiving the Subsidy prior to 1 July 2011, the Subsidy rate is 40 cents per kWh of Net Electricity Exported.
- 5.3 For Eligible Customers who apply for the Subsidy by 30 June 2011 and install an eligible system by 30 September 2011, the Subsidy rate is 40 cents per kWh of Net Electricity Exported.
- 5.4 For Eligible Customers who apply for the Subsidy from 1 July 2011, the Subsidy rate is 20 cents per kWh of Net Electricity Exported.
- 5.5 As at 1 August 2010:
- (a) the Subsidy is payable on Renewable Source Electricity received by the Network from the FIT System and measured by the export metering equipment installed at the Premises (**Net Electricity Exported**); and
 - (b) if the Eligible Customer expands the FIT System to increase its generating capacity, the Subsidy remains payable for the remainder of the Term and is not extended.
- 5.6 Horizon Power will pay the Subsidy by crediting the Subsidy amount in the Eligible Customer's bill issued under the Electricity Supply Agreement.
- 5.7 Horizon Power will, on each bill issued to the Eligible Customer under the Electricity Supply Agreement:
- (a) state the Net Electricity Exported; and
 - (b) state the amount of the Subsidy (if any) payable to the Eligible Customer.
- 5.8 If the amount in credit on a bill exceeds the amount in debit by more than \$100 then, upon request of the customer, Horizon Power will pay the balance to the customer by cheque or by electronic funds transfer to a bank account nominated by the Eligible Customer. Fees may apply if the Customer makes this request, for payment by cheque, more than once per calendar year and those fees will be published by Horizon Power.
- 5.9 Horizon Power may estimate amounts of Subsidy payable in a bill in accordance with the provisions of the Electricity Supply Agreement (modified to include export meters) or any applicable law where the metering equipment is faulty or consumption and energy flows (including import and export) are not properly recorded.
- 5.10 Any amounts of Subsidy in credit will not carry interest.

6. Change in ownership

- 6.1 If an Eligible Customer sells, leases or vacates the Premises, the new owner or the tenant may apply to receive the Subsidy for the remainder of the Term and the outgoing owner or tenant will cease to be eligible for the Subsidy.
- 6.2 Each Eligible Customer purchasing or leasing the Premises from an Eligible Customer acknowledges that they are only entitled to the payment of the Subsidy (if any) for the remainder of the Term, or as long as they continue to be eligible for the scheme, whichever is shortest.

7. Eligible Customer obligation

- 7.1 The Eligible Customer must:
- (a) ensure that all necessary licenses, permits and approvals from all Government Agencies in relation to the installation and operation of the FIT System are obtained and maintained;

- (b) comply with all applicable laws;
- (c) notify Horizon Power before making any changes to the Eligible Customer's FIT System (including any expansion of the FIT System to increase its generating capacity) and if requested by Horizon Power, provide to Horizon Power all reasonable details of such change;
- (d) not tamper with, bypass, circumvent or alter in any way any Horizon Power metering equipment installed to meter the Net Electricity Exported or do anything to the FIT System that results in the FIT System operating in a way that is not intended by the manufacturer in an effort to maximise the Subsidy payable or permit any other person to do so; and
- (e) as soon as practicable notify Horizon Power if it becomes aware of any change in circumstance that results in the Eligible Customer no longer meeting the eligibility criteria for the Tariff Scheme.

8. Termination

8.1 This Agreement ends on the first to occur of:

- (a) the date which is 10 years from the date on which Horizon Power first paid the Subsidy in respect of the FIT System installed at the Premises regardless of the fact that the first payment may have been made to an earlier occupier of the Premises and not the current Eligible Customer who is receiving the Subsidy;
- (b) the date that the Customer ceases to be an Eligible Customer;
- (c) the date on which the Tariff Scheme ceases, is withdrawn or otherwise terminated for any reason; and
- (d) the date that the Agreement is terminated in accordance with clause 8.2 or 8.3.

8.2 Horizon Power may terminate or amend this Agreement by giving at least 7 days written notice to the Eligible Customer:

- (a) if permitted or required by law; or
- (b) if the Government withdraws or amends the subsidy scheme; or
- (c) if the Eligible Customer breaches this Agreement and, following notice of breach from Horizon Power, the Eligible Customer has not remedied that breach by the end of 30 days from the date of the notice of breach.

8.3 The Eligible Customer may, at any time by giving at least 7 days written notice to Horizon Power terminate this Agreement.

8.4 The expiry or termination of this Agreement does not affect the continued operation of the Electricity Supply Agreement or the REBS Contract.

8.5 Horizon Power must credit to the Eligible Customer any outstanding amount payable to the Eligible Customer under this Agreement within 29 days of expiry or termination of this Agreement, by:

- (a) a credit the Eligible Customer's current Electricity Supply Agreement; or
- (b) cheque or electronic funds transfer to a bank account nominated by the Eligible Customer, if the Eligible Customer does not have a current Electricity Supply Agreement or at the request of the Eligible Customer.

9. Tariff Scheme Changes and Limitation of Liability

9.1 The Eligible Customer acknowledges and agrees that:

- (a) this Agreement (including any amount of subsidy payable, the tariff rate, eligibility criteria and the duration of the subsidy) is subject to any State Government change to the Tariff Scheme;
- (b) it has made and relied on its own independent assessment about the financial benefits of installing any FIT System in deciding to install a FIT System; and
- (c) Horizon Power will have no liability to the Eligible Customer for any loss, reduction in any Subsidy or reduction in entitlements under this Agreement or the Tariff Scheme due to changes made to the Tariff Scheme from time to time.

9.2 9.2 The electricity supply and the connection of the Premises to the Network is subject to a variety of factors including accidents, weather, acts of third parties and the need to work on electricity generation, transmission and distribution systems. To that end, Horizon Power does not guarantee that the connection of the Premises to the Network will remain uninterrupted and the Eligible Customer is not entitled to any Subsidy or other compensation from Horizon Power during the time in which electricity cannot be exported from the FIT System to the Network for any reason.

9.3 To the maximum extent permitted by law, Horizon Power will not be liable to the Eligible Customer for any loss of savings or anticipated savings, consequential or indirect loss arising from, or in connection with this Agreement including by reason of breach of contract, negligence or breach of statutory duty.

10. Assignment

An Eligible Customer may not assign their rights or obligations under this contact without the prior written consent of Horizon Power.

11. Miscellaneous

11.1 If the whole or part of any of this Agreement is void, unenforceable or illegal in a jurisdiction, it is severed for that jurisdiction. The remainder of the Agreement has full force and effect and the validity or enforceability of that provision in any other jurisdiction is not affected. This clause 11.1 has no effect if the severance alters the basic nature of this Agreement or is contrary to public policy.

11.2 This Agreement is governed by the law in force in Western Australia from time to time, and each party irrevocably and unconditionally submits to the non-exclusive jurisdiction of the courts of Western Australia.

11.3 This Agreement constitutes the entire agreement between the parties about its subject matter and any previous agreements, understandings and negotiations on that subject matter cease to have any effect.

11.4 The rights, powers and remedies provided in this Agreement are cumulative with and not exclusive of the rights, powers, or remedies provided by law independently of this Agreement.

11.5 The failure of any party to enforce at any time any provision of this Agreement or to exercise any right, power or remedy provided by this Agreement shall in no way be construed to be a waiver of such provision nor in any way to affect the validity of this Agreement or any part thereof or the right of any party to enforce thereafter each and every term of this Agreement and to exercise any such right. No waiver of any breach of a provision of this Agreement shall be held to be a waiver of any other or subsequent breach.