

**SOLAR RETAILER CODE OF
CONDUCT
2017 ANNUAL REPORT**



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INTRODUCTION

The Solar Retailer Code of Conduct (the Code) is a voluntary code designed to promote best practice measures and activities for retailers of solar and battery storage systems. It aims to protect consumers and to improve industry integrity by addressing issues identified as negatively impacting the reputation of the solar industry.

This is the fourth Annual Report on the Solar Retailer Code of Conduct, produced by the Clean Energy Council pursuant to section 3.8 of the Code. If you would like further information on the Code or any of the information contained in this Annual Report, please contact the Code Administrator on 03 9929 4100 or at codeofconduct@cleanenergycouncil.org.au.

BACKGROUND

The [Solar Retailer Code of Conduct](#) was devised by the Clean Energy Council following calls from its members and the broader community for improved standards and integrity in the solar PV industry. It is a voluntary code of conduct for solar and battery storage retailers of all sizes.

The Clean Energy Council worked with the Australian Competition and Consumer Commission (ACCC) to develop what has become a respected code of conduct. It was launched by then Federal Environment Minister, Greg Hunt, in 2013.

The Code is administered by the Clean Energy Council, the peak body representing Australia's clean energy industry, and is overseen by an independent Code Review Panel. It is the only solar industry code of conduct authorised by the ACCC. The Code was launched in 2013 by Federal Environment Minister Greg Hunt.

ADMINISTRATION AND GOVERNANCE

Code Administrator

The Code is administered by the Clean Energy Council. Pursuant to section 3.1 of the Code, the Code Administrator is responsible for:

- managing the administration process relating to Code signatories
- monitoring Code compliance
- determining when breaches of the Code have occurred and determining appropriate action
- enforcing sanctions

- referring cases to the Code Review Panel as required
- overseeing promotion of the Code and
- developing training and supporting material on the Code.

Code Review Panel

An independent [Code Review Panel](#) oversees administration, provides direction for development of the Code and hears appeals of decisions made by the Code Administrator.

The Code Review Panel consists of [three members](#) who bring independent industry, technical and consumer expertise. The Panel and each of its members is highly committed to the success of the Code and supports the Code Administrator in a manner that helps ensure the Code’s integrity.

The Panel is eminently credentialed to deal with issues that the Code aims to address. It convenes four times each year to ensure the Code is operating effectively and is meeting the identified objectives and community expectations. The Panel Chair and members also give generously of their time and knowledge outside of scheduled meetings to ensure the Code Administrator is well supported in making technical and strategic decisions.

Code Review Panel meeting dates	
2017	2018
23 February	22 February
25 May	24 May
31 August	23 August
8 December	22 November

The full [terms of reference](#) of the Code Review Panel are available on the Solar Accreditation website.

MARKETING AND PROMOTION OF THE CODE

The Clean Energy Council has invested considerable resources in bringing the Code to the attention of solar retailers themselves and to all levels of government and other procurement bodies. This year we have focused on raising awareness amongst consumers. Our goal is for consumers to ask the solar company they’re dealing with whether it is a CEC Approved Solar Retailer.

Clean Energy Council communications and events

The Clean Energy Council has continued to use social media, member communications, events and collateral to promote the Code. Reinforcing the value of the Code amongst industry members and stakeholders remains an important and worthwhile strategy.

The Clean Energy Council has continued to promote the Code at events including the [Australian Clean Energy Summit](#), information sessions for Accredited Installers, and the [All-Energy](#) exhibition and conference.

The Clean Energy Council's Solar Accreditation website continues to be a valuable source of consumer referrals for signatories, with the [list of Approved Solar Retailers](#) linking to the website of each Approved Solar Retailer.

Other CEC events and advocacy

- Regulators, policymakers and industry representatives attending the CEC's Energy Storage Leadership Series in Sydney on 30 March agreed there is an urgent need to improve consumer protections, product standards and installation regulations for residential battery storage systems. The Code was commended, with consumer advocates calling for it to be made a condition of government tenders before eventually becoming a regulatory requirement for all retailers.
- The Clean Energy Council wrote regularly to Federal Minister for Environment and Energy, Josh Frydenberg MP, this year to tell him what has been happening in the solar sector and update him on the Approved Solar Retailer program. We encouraged Minister Frydenberg to consider mandating the Solar Retailer Code of Conduct as a requirement of all rooftop solar tenders and programs supported by the Government. We also asked him to consider requiring compliance with the Solar Retailer Code of Conduct as a requirement for eligibility for the Small-scale Renewable Energy Scheme (SRES).
- The Clean Energy Council presented at a Battery Storage Regulatory Framework meeting to recommend state and federal governments consider mandating the Solar Retailer Code of Conduct as a requirement in all government-supported rooftop solar and storage projects.
- The Clean Energy Council presented to solar retailers in Gippsland who were considering bidding in the Victorian Government's \$5 million Home Energy Upgrade program, providing advice on how to become an Approved Solar Retailer and thereby become eligible to bid in the HEU program.

Media

- [News.com.au published an article on buying solar power](#) filled with plenty of useful information for consumers. Industry expert, Warwick Johntson, was quoted in the

article promoting Approved Solar Retailers. Mr Johnston encouraged people to use a retailer recommended by solar's peak body the Clean Energy Council.

- Ecogeneration magazine published an article that looked at some of the more common solar options and who they suit best and which included a reminder for consumers to use an Approved Solar Retailer.
- [Solar Quotes](#) now displays the Approved Solar Retailer logo next to companies names who are signatories to the Code. Solar Quotes also wrote a [blog](#) explaining why an Approved Solar Retailer is set apart from Clean Energy Council members and accredited installers.

Building relationships to secure exclusive tender opportunities

Having the Code embedded in the procurement processes of local and state governments and community organisations means Approved Solar Retailers get exclusive tender opportunities. This is an appealing process for procurement groups, as they can select their contractors from a list of quality solar providers who have already been through an independent and rigorous screening process.

The Clean Energy Council continues to invest in developing such relationships and increasingly State and local governments are naming Approved Solar Retailers as preferred suppliers or dealing exclusively with them in tenders.

- The ACT Government has awarded grants to Approved Solar Retailers to participate in its [Next Generation Renewables program](#).
- The NSW Office of Environment and Heritage has invited applications only from Approved Solar Retailers to tender for the installation of solar PV and battery storage systems on public buildings and infrastructure in New South Wales.
- The NSW Department of Education has been funding the installation of solar on school roofs across the state, engaging only Approved Solar Retailers.
- The Victorian Government has committed, in its [Renewable Energy Road Map](#), to using Approved Solar Retailers for all Government programs that support solar PV.
- Organisations such as [Moreland Energy Foundation](#) also deal exclusively with Approved Solar Retailers for solar bulk-buy programs.

CONSUMER BENEFITS OF THE CODE

The Code makes the process of buying solar simpler and safer for consumers by enabling them to choose from a list of solar retailers who have been through a rigorous screening process. The Code sets out the retailer's obligations to the consumer and aims to ensure that retailers are fully accountable for the actions of sub-contracted parties.

Approved Solar Retailers:

- provide a five-year whole-of-system warranty on all solar PV systems
- use CEC-accredited designers and installers
- provide honest and accurate information about the best system for your home or business, based on a site-specific system design and performance estimate
- properly advise their customers on grid connection procedures
- ensure their customers receive essential information when they buy their PV system under a finance agreement.

For a concise summary of how the Code benefits consumers of solar PV systems, see the [Solar PV Retailer Code of Conduct flyer for consumers](#).

STATISTICS

At the time of this report, the Clean Energy Council has received a total of **133 applications** to sign the Code. Fifty-seven of those have been rejected. (Twelve are pending at the time of this report.) We currently have 54 [Approved Solar Retailers](#) listed, an increase from 36 at the end of last year.

The Clean Energy Council reports these statistics on our [website](#) each quarter.

REPORTING

The Code Administrator adopts a number of reporting protocols in order to meet its obligations to the ACCC, the Code Review Panel and Approved Solar Retailers, and to ensure that information is readily available to stakeholders and the public. These include:

- reporting to the ACCC on breaches of the Code and potential breaches of Australian Consumer Law
- quarterly reporting to Approved Solar Retailers
- annual reporting to stakeholders
- reporting to regulators and ombudsmen as required.

HOW TO BECOME AN APPROVED SOLAR RETAILER

Solar retailers considering becoming an Approved Solar Retailer should:

- Read the [Code](#)
- Complete the [online application](#) and upload the required documents (eg. Sales contract, warranty terms, complaints handling procedure, advertising material, etc)

- Pay the non-refundable application fee of \$200
- Liaise with the Code Administrator to make any changes to the retailer's documents that are necessary for compliance with the Code

If approved, the business will be provided with the Approved Solar Retailer logo and a certificate verifying their Approved Solar Retailer status. Their business name will then be added to the [online list](#) of Approved Solar Retailers.

The initial assessment of an application can take up to eight weeks (but is usually completed within four weeks). All signatories pay an annual fee, which is based on the number of kW of solar installed by that company in the last 12 months and calculated at \$0.80 per kW.

As evidenced in the statistics above, not all applications are approved: between 40% and 50% of applications are rejected for not meeting the standards set by the Code.

USEFUL LINKS

[Code of Conduct](#) – the document which details solar retailers' obligations, breaches, how breaches are investigated and sanctioned, and the administration processes of the Code. I've attached a summary of obligations under the Code.

[Application Form](#) – details fees, indicates how CEC assesses applicants, including background checks on financial status, personnel history, documented complaints procedure, warranties and advertising material. CEC reviews contract terms and conditions of each applicant and approves only those that comply with Australian Consumer Law and this code of conduct.

WHERE TO FROM HERE?

The Code has gained the attention of governments and regulators, who see its value as a means for dealing only with high calibre operators and, more broadly, as a mechanism for improving standards in the solar industry. It provides an accessible and effective consumer complaints process. It is transparent, and is underpinned by robust administrative processes and good governance. Importantly, applicants to the Code program are subjected to a thorough assessment of their industry, financial and compliance histories and to an ongoing code compliance audit program.

The Council of Australian Governments Energy Council (COAG EC) has pointed to the Code as an example of an effective industry code of conduct and suggested expanding the scope of the Code to draw in more retailers and offer broader protection to consumers. The Clean Energy Council is exploring with industry and consumer bodies what these changes might mean for the Code in its current form and for its current signatories.

In consultation with its stakeholders, the Clean Energy Council has commenced a review of the Code, with the specific aim of explicitly covering the sale and installation of battery storage

systems. While the Code is authorised in its current form until 2020, we expect to submit a revised version to the ACCC in the year ahead.

As governments have relied on the strength and credibility of this program, making signatory status a requirement of their tenders, solar and energy storage retailers have been driven to apply to sign the Code. With a substantial increase (approximately 50 per cent) in the number of signatories this year, it is estimated that Approved Solar Retailers now account for up to 15 per cent of solar sales in Australia. It is expected that this significant market coverage will give confidence to other procurement teams to rely on the Approved Solar Retailer program, leading more retailers to sign the Code and thereby making them accountable for meeting the high standards it sets.

In 2018 the Code Administrator will continue to build on its strengths, foster strategic relationships, work to further increase the number of Approved Solar Retailers, improve service levels for Approved Solar Retailers and other stakeholders, and communicate successes effectively.

The Code Administrator will continue to request and respond to feedback from Approved Solar Retailers in an effort to further improve the program and ensure its relevance and longevity.

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