

## **DECLARATION OF SPECIAL CHARGE SCHEME FOR SOLAR SAVER PROGRAM**

### **SUMMARY:**

This report recommends that Council declare a Special Charge Scheme under Section 163 of the Local Government Act 1989 (**Act**) for the purposes of defraying expenses relating to the provision of solar energy systems on residential properties participating in the Solar Saver scheme.

The residential properties included in the proposed scheme have nominated to participate in the proposed scheme and have signed an agreement based on the quoted cost of the provision of a solar energy system at their property.

Council included \$125,000 funding for the 2019/2020 budget for this program. The total cost of the works is calculated at \$102,488.52 ex GST which property owners will contribute the entirety over an 8-year period (payback period).

Formal submissions on the proposal were sought and no submissions or objections were received. No Households have withdrawn from the program at this time, however households are still able to withdraw from the program prior to installation of the solar energy system.

### **RECOMMENDATION**

#### **THAT:**

- (1) Hepburn Shire Council (Council) having considered any submissions received and taken account of all objections lodged and complied with the requirements of sections 163A, 163B and 223 of the Local Government Act 1989 (Act), and otherwise according to law, hereby declares a Special Charge ("Special Charge") under section 163 of the Act as follows:
  - a. A special charge is declared for the period commencing on the day on which Council issues a notice levying payment of the special rate and concluding on the eighth anniversary of that day.
  - b. The special charge be declared for the purpose of defraying any expense incurred by Council in relation to the provision of solar

energy systems on residential properties participating in the Solar Saver scheme, which project:

- i. Council considers is or will be a special benefit to those persons required to pay the special charge (and who are described in succeeding parts of this resolution); and
  - ii. arises out of Council's functions of advocating and promoting proposals which are in the best interests of the community and ensuring the peace, order and good government of Council's municipal district.
- c. The total:
- i. cost of performing the function described in paragraph 1(b) of this resolution be recorded as \$102,488.52; and
  - ii. amount for the special charge to be levied be recorded as \$102,488.52, or such other amount as is lawfully levied as a consequence of this resolution.
- d. The special charge be declared in relation to all rateable land described in the table included as **Appendix A** to this report, in the amount specified in the table as applying to each piece of rateable land.
- e. The following be specified as the criteria which form the basis of the special charge so declared:
- Ownership of any land described in paragraph 1(d) of this resolution.
- f. The following be specified as the manner in which the special charge so declared will be assessed and levied:
- i. a special charge calculated by reference to the size of the solar energy system being installed and the particular costs of installation at each property participating in the Solar Saver scheme, in respect of which a Householder Agreement has been executed, totalling \$102,488.52, being the total cost of the scheme to Council;
  - ii. to be levied each year for a period of 8 years.
- g. Having regard to the preceding paragraphs of this resolution and subject to section 166(1) of the Act, it be recorded that the owners of the land described in paragraph 1(d) of this resolution will pay the special charge in the amount set out in paragraph 1(f) of this resolution in the following manner:
- i. payment annually by a lump sum on or before one month following the issue by Council of a notice levying payment under section 163(4) of the Act; or
  - ii. payment annually by four instalments to be paid by the dates which are fixed by Council in a notice levying payment under section 163(4) of the Act.

- (2) Council considers that there will be a special benefit to the persons required to pay the special charge because there will be a benefit to those persons that is over and above, or greater than, the benefit that is available to persons who are not subject to the proposed special charge, as a result of the expenditure proposed by the special charge, in that the properties will have the benefit of a solar energy system being installed.
- (3) Council, for the purposes of having determined the total amount of the special charge to be levied:
  - a. considers and formally records that only those rateable properties included in the Solar Saver scheme as proposed will derive a special benefit from the imposition of the special charge, and there are no community benefits to be paid by Council; and
  - b. formally determines for the purposes of section 163(2)(a), (2A) and (2B) of the Act that the estimated proportion of the total benefits of the special charge to which the performance of the function or the exercise of the power relates (including all special benefits and community benefits) that will accrue as special benefits to the persons who are liable to pay the special charge is 100%.
- (4) Council directs that notice be given to all owners and occupiers of properties included in the Scheme and all persons who have lodged a submission and/or an objection in writing of the decision of Council to declare and levy the Special Charge, and the reasons for the decision. For the purposes of this paragraph, the reasons for the decision of Council to declare the Special Rate are that –
  - a. there is no objection to the Scheme and it is otherwise considered that there is a broad level of support for the Special Charge from all property owners and occupiers;
  - b. Council considers that it is acting in accordance with the functions and powers conferred on it under the Local Government Act 1989, having regard to its role, purposes and objectives under the Act, particularly in relation to its functions of advocating and promoting proposals which are in the best interests of the community and ensuring the peace, order and good government of Council's municipal district.
  - c. all persons who are liable or required to pay the Special Charge and the properties respectively owned or occupied by them will receive a special benefit of a solar energy system being installed at the property.
- (5) Where a Householder wishes to withdraw from the Scheme, Council agrees to such withdrawal where the Householder has given written notice of their desire to withdraw from the Scheme before Council has incurred any expenditure in relation to the Householder's solar PV system.
- (6) Council receive a further report on the Solar Saver project in 2020 following installation of solar systems at households.

## REPORT

### INTRODUCTION AND BACKGROUND

Council included \$125,000 funding for the project in the 2019/2020 budget. Council resolved to implement the Solar Saver project to install solar energy systems on homes receiving pensioner rate rebates through the establishment of a special charge scheme. Through an open tender process led by MAV Procurement, Macedon Ranges Solar Power was appointed to provide quotes and supply and install the solar energy systems.

To ensure that participating homes were aware of and agreed to the quoted system, price and the proposed special charge scheme, an agreement between Council and participants was developed (see Appendix B) (**Householder Agreement**). This agreement has been signed by the owner of each of the 21 households included in the proposed special charge scheme.

3kW - 5kW solar energy systems were available through the program and have been sized to maximise the financial benefits to participating households. It is estimated that the average participating household will save \$100 above their rate repayments in electricity bills over the first year based on current electricity pricing. After 8 years households are expected to save in the order of \$400 - \$500 per year on electricity bills (although this will vary from household to household).

Council is making solar power more accessible to low income households through the Solar Saver program. It is among the first programs in Australia enabling households to install solar PV systems and pay them off through a special charge scheme over 8 years. Council has committed through a number of actions – including its **Council Plan (2017-2021)**, its commitment to the Hepburn Shire Z-NET program, and through endorsement of this and other programs - not only to reduce emissions, but to support those most vulnerable to climate change impacts and increasing energy costs.

On 17 March 2020, Council resolved to give notice of its intention to declare a special charge for the purpose of defraying any expense incurred by Council in relation to the provision of solar energy systems on residential properties participating in the Solar Saver scheme.

Council resolved to advise of its intention to declare a Special Charge, to publish a public notice and to request and to hear submissions under section 223 of the Act. Section 223 requires that Council publish a public notice specifying the date by which submissions are to be made, being a date which is not less than 28 days after the date on which the public notice is published. Section 223 also entitles any person making a submission to request a hearing by Council of their submission.

Public notice was posted in the April 25 edition of the Advocate newspaper. The public notice advised of the proposed declaration and invited submissions under section 223 of the Act by 5PM on 21 April 2020.

- No submissions or objections were received.
- No were received to clarify details of the scheme
- No households have made requests to withdraw from the scheme due to changed circumstances.

## **ISSUES AND DISCUSSION**

Under Section 163 of the Local Government Act 1989 (**Act**), Council is empowered to declare a special charge for the purposes of defraying any expenses in relation to the performance of a function or the exercise of a power of Council, if Council considers that the performance of the function or the exercise of the power is, or will be, of special benefit to the persons required to pay the special rate or special charge.

In this case, the installation of solar energy systems on properties as part of the Solar Saver scheme arises out of Council's functions of advocating and promoting proposals which are in the best interests of the community and ensuring the peace, order and good government of Council's municipal district and promotes the social, economic and environmental viability and sustainability of the municipal district . Each participating property has signed a Householder Agreement with Council to participate in the scheme, which includes the overall cost and rate repayments which would be paid by the property should the scheme be approved (see Appendix A).

In September 2004, the Minister for Local Government issued a guideline for the preparation of special charge schemes. The guideline specifically deals with the calculation of the maximum total amount that a council may levy as a special charge.

The guideline requires that Council identify the following:

- A. Purpose of the works
- B. Ensure coherence
- C. Calculate total cost
- D. Identify special beneficiaries
- E. Determine the properties to include
- F. Estimate total special benefits
- G. Estimate community benefits
- H. Calculate the benefit ratio
- I. Calculate the maximum total levy

**A. Purpose of the Works**

The purpose of the works is to supply and install solar energy systems on properties to reduce energy costs and encourage and increase the use of renewable energy in Hepburn Shire.

**B. Ensure Coherence**

The proposed works have a natural coherence with the proposed beneficiaries, as the properties proposed to be included in the scheme are receiving solar energy systems to the value of their participation.

**C. Calculate the Total Cost**

The proposed solar system installation includes the following items:

- Assessment and administration costs
- Supply and installation of solar energy systems

For the purposes of Section 163(1) of the Act, the total cost of the works is calculated at \$102,488.52 based on signed quotations.

The expenses in the estimate of works are consistent with the allowable expenses listed in section 163(6) of the Act.

**D. Identify the Special Beneficiaries**

Council is required to identify those properties that would receive a special benefit from the proposed works. A special benefit is considered to be received

by a property if the proposed works or services will provide a benefit that is additional to or greater than the benefit to other properties.

The Ministerial Guideline notes that a special benefit is considered to exist if it could reasonably be expected to benefit the owners or occupiers of the property. It is not necessary for the benefit to be actually used by the particular owners or occupiers of a specified property at a particular time in order for a special benefit to be attributed to the property.

Property owners participating in the Solar Saver scheme are considered to receive special benefit from the proposed supply and installation of solar PV systems by means of:

- Reduced energy costs over the life of the solar PV system
- Ownership of the solar PV system after the special rate repayments are paid in full
- Increased property value

The proposed properties taking part in the scheme, the owners of which have signed a Householder Agreement with Council to participate in the scheme, are listed in Appendix B.

#### **E. Determine Properties to Include**

Once the properties that receive special benefit are identified, Council must decide which properties to include in the scheme. If a property will receive a special benefit but is not included in the scheme, the calculation of the benefit ratio will result in Council paying the share of costs related to the special benefits for that property.

It is accepted that only those properties at which the solar energy systems are installed will receive a special benefit from the scheme. Accordingly, it is proposed to include only those residential properties whose owners have signed Householder Agreements in the scheme. Council will not, then, be required to pay a share of costs related to special benefits for any property that is not included in the scheme.

#### **F. Estimate Total Special Benefits**

As per the Ministerial Guideline for Special Rates and Charges, total special benefits are defined according to the formula below:

$$\mathbf{TSB} = \mathbf{TSB}_{(in)} + \mathbf{TSB}_{(out)}$$

- **TSB** is the estimated total special benefit for all properties that have been identified to receive a special benefit
- **TSB<sub>(in)</sub>** is the estimated total special benefit for those properties that are included in the scheme
- **TSB<sub>(out)</sub>** is the estimated total special benefit for those properties with an identified special benefit that are not included in the scheme

For the purposes of the proposed scheme, total special benefits have been calculated as follows:

- **TSB<sub>(in)</sub>** – The estimated total special benefit is based on the quoted cost of the solar PV system to be installed (which has been included in the Householder Agreement signed by the property owner). It is expected that the benefit in reduced energy costs will exceed this special benefit.
- **TSB<sub>(out)</sub>** – This is not applicable as all participating properties are included.

#### **G. Estimate Community Benefits**

Whilst the reduction of energy use, greenhouse emissions and increase of renewable energy is considered a community benefit there are no direct quantifiable costs.

- **TCB** – Total Community Benefit is assessed to be 0 benefit units

#### **H. Calculate the Benefit Ratio**

The benefit ratio is calculated as:

$$\mathbf{R} = \frac{\mathbf{TSB}_{(in)}}{\mathbf{TSB}_{(in)} + \mathbf{TSB}_{(out)} + \mathbf{TCB}}$$

Where:

$$\mathbf{TSB}_{(in)} = \$102,488.52$$

$$\mathbf{TSB}_{(out)} = 0$$

$$\mathbf{TCB} = 0$$

$$R = 1$$

### I. Calculate the Maximum Total Levy

In order to calculate the maximum total levy **S**, the following formula is used:

$$S = R \times C$$

Where **R** is the benefit ratio and **C** is the cost of all works

Therefore,  $S = 1 * \$102,488.52 = \mathbf{\$102,488.52}$

Note there is no community benefit amount payable by Council.

### Apportionment of Costs

Once the maximum levy amount has been calculated, it is necessary to establish an appropriate way to distribute these costs to all affected landowners.

As the properties have all received individual quotations based on the solar system and work required, it is proposed to apportion the costs based on these quotes. It is noted that the householders have been notified and signed agreements on the basis of these costs for the purpose of declaring this scheme.

## POLICY IMPLICATIONS

### Environmental Sustainability

This project is consistent with the Council Plan (2012-2021). The adopted project aims include to:

- Assist low income households to save money, reduce emissions and stay cool in heatwaves
- Build capability and capacity within Victorian councils to use special rates charges to provide a stable underpinning finance model
- Catalyse private sector investment within a community sector traditionally viewed as high risk to investors

- Capture economies of scale and implementation efficiencies through a shared service delivery model
- Address market failures restricting low income and vulnerable households from installing solar systems

### **Human Rights, Equity and Inclusion**

Council has committed through its Council Plan (2017-2021) not only to reduce emissions, but to support those most vulnerable to climate change impacts and increasing energy costs. This project was specifically aimed at pensioner households, who are more vulnerable to increasing energy costs.

### **Economic Development**

It is estimated that the average participating household will save at least \$100 above their rate repayments in electricity bills over the first year based on current electricity pricing. After 8 years households can save \$400 - \$600 per year. This represents potential funds that can be spent within the Hepburn Shire Council community rather than on utility bills.

The program has been undertaken with the Solar Savers project, which includes the Eastern Alliance for Greenhouse Action and the Northern Alliance for Greenhouse Action. On a longer term basis this program has the potential to be rolled out Australia-wide creating many more solar installation opportunities for the solar industry, resulting in greater demand/jobs for that industry.

### **Other**

This is consistent with the Council Plan (2017-2021) and 2019-2020 Council Budget.

## **FINANCIAL AND RESOURCE IMPLICATIONS**

Council will pay \$102,488.52 for the supply and installation of the solar PV systems on the properties listed in **Appendix A**. In accordance with their respective Householder Agreements, property owners will pay for the cost of

the solar energy system by equal installments apportioned over a 8-year period, commencing from 31 October 2020.

Council is expected to receive \$102,488.52/8 in special charge repayments annually for the scheme over the 8-year period. It should be noted that the special charge scheme is effectively an interest free loan to the households.

Payments to Council by property owners for works via special charge schemes are GST exempt.

Should the property be sold during the 8 year period in which the special charge scheme applies, the amount outstanding on the special charge scheme at the time of sale will be fully paid.

## **CONCLUSION**

Based on the written agreement of all Solar Saver households and the lack of receipt of a single submission or objection to the proposed declaration, it is recommended that Council declare a special charge scheme for the purposes of defraying expenses from the provision of solar energy systems on residential properties participating in the Solar Saver scheme.

It is also recommended that Council receive a further report on this program following installation of the solar systems in May and June 2020.

## **FUTURE ACTIONS**

- Provision of a notice to property owners
- 30-day period for an objection to be lodged with VCAT (likely to be a procedural matter only as all households have signed an agreement to proceed with the scheme)
- Installation of solar systems
- Report to Council following installation

## **DISCLOSURE OF INTERESTS**

The *Local Government Act* 1989 requires members of Council staff and persons engaged under contract to provide advice to Council to disclose any direct or indirect interest in a matter to which the advice relates.

The Author of the report, having made enquiries with relevant members of staff, reports that no disclosable interests have been raised in relation to this report.

## **RELATED DOCUMENTS**

- Council Minutes
- *Local Government Act* 1989
- Community Climate Change Action Plan
- The Macquarie Special Rates and Charges Manual 2012
- Budget
- Table of properties intended to be subject to the Solar Saver special charge scheme, (**Appendix A**)

## APPENDIX A

### Apportionment of costs

Each listed property has been assessed as to the size of solar panel and installation costs and has been provided and agreed to the following quotation to have a solar energy system installed at their property for the following costs.

Property Address	Cost
4/2 Bridge Street CRESWICK VIC 3363	\$3,787.73
115 Church Street CRESWICK VIC 3363	\$4,804.09
1595 Hepburn - Newstead Road CLYDESDALE VIC 3461	\$5,076.82
165 Pudding Bag Road DRUMMOND VIC 3461	\$3,787.73
55 Whitegum Drive WHEATSHEAF VIC 3461	\$2,846.55
61 Johns Road CRESWICK VIC 3363	\$4,437.91
46 Russells Road PORCUPINE RIDGE VIC 3461	\$5,466.14
320 Ascot Road CRESWICK VIC 3363	\$5,465.64
110 Learmonth Road CLUNES VIC 3370	\$7,262.64
28 Hepburn Road DAYLESFORD VIC 3460	\$5,085.91
19 Stanhope Street DAYLESFORD VIC 3460	\$4,250.18
85 Smiths Road WATTLE FLAT VIC 3352	\$4,695.00
67 Talbot Road CLUNES VIC 3370	\$4,695.00
14 Albert St CLUNES VIC 3370	\$5,465.64
225 Gays Road WHEATSHEAF VIC 3461	\$6,140.45
34 Fisher Road CRESWICK VIC 3363	\$4,695.00
Cerini Lane EGANSTOWN VIC 3461	\$3,060.45
2374 Ballan-Daylesford Road SAILORS FALLS VIC 3461	\$7,517.27

5258 Midland Highway DRY DIGGINGS VIC 3461	\$5,465.64
45 Smeaton Road CLUNES VIC 3370	\$3,787.73
6 Hill St CLUNES VIC 3370	\$4,695.00
<b>Total Cost</b>	<b>\$102,488.52</b>

## **APPENDIX B**

### **Householder Agreement (COUNCIL RATES)**

**COUNCIL**

and

**THE HOUSEHOLDER NAMED IN THE AGREEMENT**

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# Householder Agreement

13 May, 2020

## BETWEEN

**Hepburn Shire Council ABN 76 845 763 535**

Of 76 Vincent St, Daylesford VIC 3460

**(Council)**

and

«Rateable\_Mailing\_Address»

of «Rates\_Property\_Address»

**(Householder)**

## BACKGROUND

Council is participating in the Solar Savers program (**Program**), whereby certain residents of the Hepburn Shire Council may elect to have a solar energy system installed at their residential property by a contractor engaged by Council.

- A. Council intends to pay for the solar energy system to be installed and recover this cost through a special rate scheme yet to be declared by Council. The delivery of the Program is conditional upon the special rate scheme going ahead and will not proceed if the special rate scheme is not declared, or is rendered by a court or tribunal to be legally invalid.
- B. A separate agreement will be entered into between Council and the contractor engaged to supply and install the solar energy systems under the Program.
- C. This agreement records the agreed terms between Council and the Householder regarding the supply and installation of a solar energy system under the Program.

IT IS AGREED AS FOLLOWS

## **1. Term of Agreement**

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This Agreement shall commence on the Commencement Date and, unless terminated in accordance with this Agreement, shall continue until the Expiry Date.

## **2. Pre-Conditions**

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- 2.1 The provision of a Solar Energy System to the Householder under this Agreement is conditional upon and subject to:
- 2.1.1 Council entering into a contract with a person or body to supply and install the Solar Energy System to the Householder as part of the Program; and
  - 2.1.2 Council declaring the Scheme to recover the costs of the Program.
- 2.2 No Solar Energy System will be provided under this Agreement until the pre-conditions in clause 2.1.1 - 2.1.2 have been satisfied.
- 2.3 If the conditions in clause 2.1.1 - 2.1.2 have not been satisfied within 90 days of council declaring the Scheme, in the absence of agreement to the contrary between the parties, this Agreement immediately ends and each Party is released from their obligations under this Agreement and no party will have any further liability, responsibility or obligation to the other.

## **3. Declaration of Invalidity of Scheme**

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In the event that, during the term of this Agreement, a court or tribunal of Victoria declares the Scheme to be invalid, or determines that the Householder is not bound by the Scheme, the following will apply:

- 3.1 if the Solar Energy System has not yet been supplied and installed at the Householder's property, this Agreement will terminate immediately, each Party is released from their obligations under this Agreement and no party will have any further liability, responsibility or obligation to the other; or
- 3.2 if the Solar Energy System has already been supplied and installed at the Householder's property, the Householder may elect to:
  - 3.2.1 allow the Solar Energy System to be removed from the Householder's premises and returned to Council; or
  - 3.2.2 keep the Solar Energy System provided and pay to Council, in a lump sum or otherwise as agreed between the Parties, the outstanding amount for the Cost of the Solar Energy System, within 60 days of receiving written notice from Council that the Scheme will no longer apply to the Householder.

## **4. Payment for Solar Energy System**

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- 4.1 The Cost of the Solar Energy System is the total amount set out in Item 3 of Schedule 1 and itemised in Schedule 2. This amount purchases the supply and installation of the Solar Energy System and any required repair or replacement covered by the warranty during the warranty period, as set out in Schedule 3, but

does not cover general maintenance, service calls or repair or replacement outside the warranty.

- 4.2 The Cost of the Solar Energy System under clause 4.1 may be adjusted by Council during the term of this Agreement if, for a reason beyond the control of Council or the Contractor, further costs are required to be incurred in supplying or installing the Solar Energy System.
- 4.3 Council envisages that any adjustment to the Cost of the Solar Energy System under clause 4.2 will only arise where:
  - 4.3.1 there is a change to legislation applicable to, or regulation of, the installation of the Solar Energy System (e.g. changes to Small-scale Technology Certificates); or
  - 4.3.2 the installation of the Solar Energy System originally quoted for changes as a result of building works undertaken at the Householder's property or a request to change the location of the Solar Energy System.
- 4.4 Any adjustment under clause 4.2 will be made by way of a variation to the Scheme, in accordance with section 166 of the *Local Government Act 1989*. Where a variation would result in a change to the Householder's liability under the Scheme of 10% or more, the Householder will have an opportunity to make submissions to Council in respect of it and withdraw from the Scheme.
- 4.5 Payment for the Cost of the Solar Energy System is to be by equal instalments apportioned over the Term of the Agreement. The amount payable by the Householder for each payment is set out at Item 5 of Schedule 1.
- 4.6 From the Commencement Date the Householder will receive a rates notice each quarter setting out their liability under the Scheme for the property at which the Solar Energy System is installed, until their liability under the Scheme is discharged in full.
- 4.7 Unless otherwise agreed between the Parties, all payments are due at the date set out in each rates notice. In the event that payment has not been made by the due date, Penalty Interest is payable upon any outstanding amounts, in accordance with the *Local Government Act 1989* and this Agreement.
- 4.8 Any delay or adjustment to the delivery date for the Solar Energy System or adjustment to the Cost of the Solar Energy System under clause 4.2 does not entitle the Householder to delay or withhold payment under this Agreement.
- 4.9 The Cost of the Solar Energy System will not be adjusted after installation has occurred.
- 4.10 Council will provide Solar Victoria the evidence required to claim the Victorian Government Solar Homes Rebate on behalf of the Householder. If the Householder is eligible, Council will apply the rebate amount to their liability under the Scheme.

## **5. Council's Obligations**

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Council's obligations under this Agreement include the obligation to make all reasonable efforts to:

- 5.1 enter into contractual arrangements with a licensed electrical contractor, who has experience and expertise in the Solar Energy industry and who is of good repute, CEC accredited and fully insured to supply and install the Solar Energy System ;
- 5.2 declare the Scheme and collect payments from the Householder in accordance with clause 4;

- 5.3 ensure that any Contractor engaged under clause 5.1 provides the supply and installation of a Solar Energy System to the Householder within a reasonable time of this Agreement being entered into; and
- 5.4 assign all warranties attaching to the Solar Energy System to the Householder in accordance with clause 7.

## **6. The Householder's Obligations**

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- 6.1 The Householder must pay to Council the Cost of the Solar Energy System in accordance with clause 4.
- 6.2 The Householder must allow the Contractor and its agents access to their property for the purposes of conducting site inspections, installing the Solar Energy System and to carry out any required repairs or replacements.
- 6.3 The Householder must ensure that those parts of their property in which works are being undertaken by the Contractor are safe to access prior to the Contractor or its agents accessing the Householder's property.
- 6.4 The Householder authorises the Contractor to submit an application to their electricity provider to connect a renewable energy system to the electricity provider's electrical distribution network and the Householder must take all reasonable action required by the Contractor, including signing any relevant documents, in order for that connection to take place.
- 6.5 The Householder is responsible for any metering or other fees charged by their electricity provider and such charges do not form part of this Agreement.
- 6.6 The Householder must not intentionally damage, sell, trade or otherwise dispose of any part of the Solar Energy System during the term of this Agreement.
- 6.7 The Householder must comply with any warranties, manufacturer's instructions and user manuals relating to the Solar Energy System and acknowledges that any failure to do so may void those warranties.
- 6.8 The Householder does not have any entitlement to claim, create or assign any Small-scale Technology Certificates in relation to the Solar Energy System provided under this Agreement.

## **7. Assignment of Warranties**

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- 7.1 The Contractor has agreed that all warranties relevant to the Solar Energy Systems will be issued in respect of, and remain with, the relevant properties at which the Solar Energy Systems are installed, meaning that it should not be necessary to assign the warranties.
- 7.2 If the Householder has any concerns, queries or requests for a service call, repair or replacement of the Solar Energy System, the Householder must contact the Contractor who supplied and installed the Solar Energy System. Contact details for the Contractor will be supplied to the Householder prior to the installation of the Solar Energy System.

## **8. No Guarantee of Savings**

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- 8.1 While it is reasonably expected that the operation of the Solar Energy System will result in reduced electricity costs for the Householder, no guarantee is made by Council that the Householder will save money on their electricity bills as a result of the provision of the Solar Energy System under this Agreement.

- 8.2 Neither Council, nor the Contractor, is responsible for any inaccuracies or losses caused to the Householder by changes to feed in tariffs, electricity prices or government schemes.

## **9. No Liability**

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- 9.1 To the fullest extent permitted by law, while Council will take all commercially reasonable care in arranging for the provision of the Solar Energy System under the Agreement, Council shall not be liable in respect of any loss or damage (including consequential loss or damage), however caused, which may be suffered or incurred or which may arise directly or indirectly in respect of the installation or operation of the Solar Energy System.
- 9.2 To the fullest extent permitted by law, Council is not liable for the ongoing maintenance, repair or replacement of the Solar Energy System, including but not limited to:
- 9.2.1 the replacement of the goods or the supply of equivalent goods;
  - 9.2.2 the repair of such goods;
  - 9.2.3 the payment of the cost of replacing the goods or of acquiring equivalent goods; or
  - 9.2.4 the payment of the cost of having the goods repaired.

## **10. Ownership of Solar Energy System**

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- 10.1 Ownership of the Solar Energy System remains fully vested in Council during the term of the Agreement, unless the Solar Energy System is otherwise paid for in full at which time the ownership of the Solar Energy System vests in the Householder.
- 10.2 Once all payments payable under this Agreement have been made by the Householder in accordance with clause 4, the full ownership of the Solar Energy System will pass from Council to the Householder.

## **11. Release and Indemnity**

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- 11.1 The Householder agrees to the installation and use of the Solar Energy System under this Agreement at their own risk and releases Council from all claims resulting from any damage, loss, death or injury in connection with the installation and use of the Solar Energy System except to the extent that Council is negligent.
- 11.2 The Householder must indemnify and hold harmless Council against all claims resulting from any damage, loss, death or injury in connection with the installation and use of the Solar Energy System except to the extent that Council is negligent.

## **12. Termination**

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- 12.1 Without limiting the generality of any other clause, Council may terminate this Agreement by notice in writing if the Householder breaches any essential terms of this Agreement and such breach is not remedied within 60 days of written notice by Council.
- 12.2 If notice of termination is given to the Householder pursuant to clause 12.1, Council may, in addition to terminating this Agreement:
- 12.2.1 repossess the Solar Energy System;

- 12.2.2 retain any moneys already paid;
- 12.2.3 charge a reasonable sum for any work performed in disconnecting and removing the Solar Energy System;
- 12.2.4 be regarded as discharged from any further obligations under this Agreement; and
- 12.2.5 pursue any additional or alternative remedies provided by law.

### **13. No Fettering of Council's Powers**

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It is acknowledged and agreed that this Agreement does not fetter or restrict Council's powers or discretions in relation to any powers or obligations it has under any Act, regulation or local law that may apply to the Scheme or any other aspect of this Agreement.

### **14. Entire Agreement**

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This Agreement constitutes the entire agreement between the parties. Any prior arrangements, agreements, representations or undertakings are superseded.

### **15. Joint and Several Liability**

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If the Householder consists of more than one person, this Agreement binds them jointly and each of them severally.

### **16. Survival of Indemnities**

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Each indemnity in this Agreement is a continuing obligation, separate and independent from the other obligations of the parties and survives termination of this Agreement.

### **17. Severability**

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If any provision of this Agreement is held invalid, unenforceable or illegal for any reason, this Agreement shall remain otherwise in full force apart from such provision which shall be deemed deleted.

### **18. Governing Law**

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This Agreement will be governed by and construed according to the law of Victoria.

### **19. Disputes**

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#### **19.1 Householder to contact Contractor regarding Solar Energy System**

Any grievances or concerns relating to the Solar Energy System must be conveyed to the Contractor, in accordance with clause 7.2.

#### **19.2 Other disputes arising under this Agreement**

If any dispute arises between the Householder and Council regarding this Agreement, the Parties must at first instance endeavour to resolve it by discussion and agreement.

## 20. Definitions

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In this Agreement, unless the contrary intention appears:

**Agreement** means this agreement and includes the Schedules and any Annexures.

**Commencement Date** means the date on which this Agreement commences as specified in Schedule 1.

**Contractor** means the licensed electrical contractor, whether being a person or entity, engaged by Council to supply and install Solar Energy Systems under the Program.

**Cost** means the amounts payable under this Agreement as outlined in Schedule 1, which may be amended from time to time in the manner described in this Agreement.

**Council** means the Hepburn Shire Council.

**Expiry Date** means the date on which this Agreement ends as specified in Schedule 1.

**Householder** means the person or persons named in the Agreement as being the resident or residents of the property at which a Solar Energy System will be installed.

**Party** means either Council or the Householder as the context dictates.

**Payment Schedule** means the arrangements for payment by the Householder to Council, as set out in clause 4.

**Penalty Interest** means interest at the rate of 10 per cent per annum, or such other rate as may be fixed by section 2 of the *Penalty Interest Rates Act 1983* from time to time.

**Program** means the "Solar Savers Program" of Council.

**Scheme** means the Special Rate Scheme to be declared by Council, under the *Local Government Act 1989*, to recoup the costs of the Solar Energy Systems provided as part of the Program.

**Solar Energy System** means the system described at Schedule 2 and includes the solar panels and any associated infrastructure and materials provided by the Contractor for the proper functioning of the solar panels to produce electricity from solar power, but does not include any infrastructure or services provided by third parties (such as electricity distributors or electricity retailers).

**Small-scale Technology Certificate**, has the same meaning as in the *Renewable Energy (Electricity) Act 2000* (Cth) and includes any other certificate, right or entitlement of a similar nature which arises under Victorian or Commonwealth legislation;

**Term** means the term of this Agreement as set out in clause 1.

**Victorian Government Solar Homes Rebate** means a rebate applied on the Cost of the Solar Energy System, up to a maximum of \$1,888 as part of the Solar Homes package. Householders may receive the rebate if they meet the Solar Homes eligibility criteria, as described in Item 4, Schedule 1.

**SIGNED** as an agreement

**SIGNED** for and on behalf of Hepburn Shire Council )  
**ABN 76 845 763 535** in the presence of: )  
)

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Witness name Full name

\_\_\_\_\_  
Witness signature Officer title

\_\_\_\_\_

**SIGNED** by the Householder/s named in this agreement in the presence of:

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Witness name Full name

\_\_\_\_\_  
Witness signature Signature

\_\_\_\_\_

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Full name

## Schedule 1- Summary Schedule

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1.	<b>Commencement Date</b>	31 October 2020
2.	<b>Expiry date</b>	30 June 2028
3.	<b>Cost of the Solar Energy System (inclusive of Solar Homes Rebate and STCs)</b>	«Quote_Amount»  See breakdown provided at Schedule 2
4.	<b>Solar Homes Rebate</b>	\$1,888.00
5.	<b>Amount payable by the Householder in each quarterly rates notice from the Commencement Date (excluding GST)</b>	An amount equal to 1/32 <sup>nd</sup> of the total cost, being:  «Quarterly_Payment_rates»

## Schedule 2 - Solar Energy System Details and Cost

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See Attached Quotation for system details and cost.

<b>Reference</b>	«Referral_Number»
<b>Name</b>	Install_Name»
<b>Phone</b>	«Contact_Name.Phone» / «Mobile»
<b>Email</b>	Conntact_Name.Email»

<b>Sys Item Specification</b>	
<b>Sys System Size</b>	«System_Size_Agreement»
<b>PaP Panels</b>	Risen RSM72-6- 330Wp
<b>Inve Inverter</b>	SOLIS/ ABB UNO-DM/H/ Huawei-SUN2000L
<b>S</b>	
<b>Sc Small scale technology certificates (STC) estimate</b>	«Number_of_STCs» certificates - this discount has been incorporated into the pricing as specified in quotation.

The Household is provided a 10 day cooling off period from signing the agreement.

The Contractor reserves the right to contact the Householder to re-issue this Schedule, within 7 business days of receipt of your signed Household Agreement to adjust pricing or details where quality assurance matters have been identified.

## Schedule 3 - Warranty and Supplier Terms and Conditions

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See attached

**Terms and Conditions**

**System Component Warranties**