

FAQs: Measurement & Verification removal of renewable energy export ban

November 2020

The Victorian Energy Upgrades (VEU) program is removing the ban on Measurement & Verification (M&V) projects exporting renewable energy. Here is what you need to know:

For project owners and Accredited Providers

How will this change support more solar installations?

The Measurement and Verification (M&V) method allows businesses installing large or bespoke projects to receive incentives under the VEU program by using smart meter data to measure energy use before and after the energy efficiency project occurs. Emissions reductions and incentives are accurately calculated based on the difference in consumption.

The changes to the M&V method will support the installation of on-site renewable energy to reduce the amount of energy a business draws from the grid.

This will be appropriate for large commercial and industrial sites looking to install solar PV systems greater than 100kW.

I have an existing project, will I be able to export renewable energy?

Yes, pending approval by the Essential Services Commission (ESC). Existing projects can apply to the ESC for a project variation to allow export of renewable energy. This includes projects which have already forward created Victorian Energy Efficiency Certificates (VEECs), and plan to “top-up”. The ESC will be accepting variations of this kind even for projects that have already had impact reports approved.

Will there be a limit on the amount of energy I can export?

The VEU program will not place a limit on the amount of energy you can export to the grid. How much energy your site can export will be determined by the connection agreement with your network service provider.

The limits may be imposed by your network service provider, depending on the electricity grid infrastructure in your area.

Only electricity consumed on site will be eligible for incentives. Energy exported to the grid will be ignored for the purposes of determining the amount of energy saved by the upgrade and therefore the level incentive the upgrade is eligible for.

What is the process for negotiating connection and export with my DNSP?

This will depend on your distributed network service provider (DNSP) and the area you are in. Below are some links to guidance on the negotiated connection process from Victoria's five DNSPs.

<https://www.ausnetservices.com.au/New-Connections/Solar-and-Battery-Connections/Learn-more/Large-complex-connections>

<https://www.unitedenergy.com.au/industry/solar-energy/negotiated/>

<https://media.powercor.com.au/wp-content/uploads/2018/11/26113220/citipower-connection-policy-v11.pdf>



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<https://media.powercor.com.au/wp-content/uploads/2018/11/30112226/powercor-connection-policy-v111.pdf>

<https://jemena.com.au/getattachment/54542f87-9e10-4006-a1e2-91dd6149a718/Jemena-Electricity-Networks-Embedded-Generation-Ne.aspx>

Will my project generate extra incentives if I install more generation capacity?

No, any renewable energy which is not used on site will not generate incentives. Incentives will be calculated based on the reduction in grid electricity and gas consumption. You can increase your incentive level by using smart technology to maximise self-consumption of onsite renewable generation.

What if my network service provider will not let me export?

The VEU program encourages sites to maximise use of their renewable energy onsite. This can maximise both the incentive level received and savings on utility bills. Maximising self-consumption of renewable energy can be done by:

- using smart controls to match the timing of energy use with generation patterns,
- installing other energy efficiency upgrades which reduce demand as much as possible, and
- installing storage products such as batteries or thermal storage, which can further maximise self-consumption.

Will my project be eligible for STCs or LGCs as well as VEECs?

Renewable energy is either able to claim VEECs or incentives under the Commonwealth Renewable Energy Target (small-scale technology certificates (STCs) or Large Generation Certificates (LGCs)).

Projects may be able to create STCs for the first 99 kW of solar, and then create VEECs for the remaining capacity above 100 kW. Any generation which has created STCs will need to be subtracted from the amount eligible for VEECs. This can be done using counted savings.

What other support is being offered by the Victorian Government?

The Victorian Government is actively promoting the uptake of solar PV and other distributed energy generation resources as part of a wider strategy to transition to a clean energy future, and has implemented other programs which support businesses to maximise their energy efficiency through onsite generation and smart technologies. Some of our programs include Victorian Energy Upgrades, Solar Homes, Solar panels on public buildings, Community Power Hub, New Energy Jobs Fund, Microgrid Demonstration Initiative, Centre for New Energy Technologies, Greener Government Buildings, and the early adoption of smart meters.

Distributed network service providers

How much renewable energy will be installed in Victoria due to this change?

Modelling shows that removing the renewable energy export ban on M&V projects could encourage installation of up to 100 megawatts of solar photovoltaic panels within ten years. This will provide Victorian businesses with up to \$20 million in incentives. Installations are expected to be between 100 kW and 5 MW each.

When will this change take effect?

This change is expected to come into effect in November 2020.

Where will this happen?

Across commercial and industrial properties in Victoria. Our research indicates that this type of upgrade will be most economically attractive in industrial areas with a large amount of roof space. Locations identified in our initial investigation included Dandenong South industrial area, Campbellfield-Somerton industrial area, and Laverton North industrial area. Other businesses which may have a favourable business case include:



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- schools,
- supermarkets,
- food processing centres,
- shopping centres, and
- light manufacturing.