

UNDERTAKING TO THE CLEAN ENERGY REGULATOR

Undertaking to the Clean Energy Regulator given for the purposes of section 154Q of the
Renewable Energy (Electricity) Act 2000

by

RETA (WA) Pty Ltd (ACN 153 673 931)

1. Glossary

1.1 In this Undertaking, unless the contrary intention appears, the following definitions apply:

Act means the *Renewable Energy (Electricity) Act 2000* (Cth).

Approved Solar Panel Manufacture means solar panel manufactures who are currently participating in the SPV initiative.

CEC means Clean Energy Council.

Compliance Program means the Small-scale Renewable Energy Scheme Compliance Program set out in Annexure A.

PV means photovoltaic.

RETA means RETA (WA) Pty Ltd ACN 153 673 931 with registered address 3/26 Hammond Road, Cockburn Central WA 6164.

REC means Renewable Energy Certificate.

REC Registry Account means RETA's REC Registry Account 35465.

REC Registry means the public registry of information maintained by the Regulator in accordance with Part 13 of the Act and which is published at <http://www.rec-registry.gov.au>.

Regulations means the *Renewable Energy (Electricity) Regulations 2001* (Cth).

Regulator means the Clean Energy Regulator.

Regulatory Requirements means the legislative requirements to be complied with for the installation of solar PV panels in Australia in order to qualify for RECs. These requirements include without limitation the Act, Regulations, CEC Guidance, Australian Standards, Federal and State based Australia Consumer Law and laws in respect of health and safety.

SGU means a Small Generation Unit as defined in sub regulation 3(2) of the Regulations.

SPV means Solar Panel Validation initiative

SRES means Small-scale Renewable Energy Scheme.

SRES Smart means the online tool designed to support registered agents refresh or gain knowledge about their obligations and expected capabilities under the SRES.

STC means Small-scale Technology Certificate.

2. Background

Person giving this Undertaking

- 2.1 This Undertaking is given to the Regulator by RETA (WA) Pty Ltd for the purposes of section 154Q of the Act.
- 2.2 RETA is an Australian propriety company limited by shares.
- 2.3 RETA has been a registered person under the Act since 22 November 2011 and has been creating STCs since 1 December 2011.
- 2.4 RETA has a good compliance history with the Regulator. However, in the instances described herein, their compliance processes did not immediately reveal the false information provided to them by a third party.

Improper creation of STCs

- 2.5 The Regulator is a statutory agency with responsibility for administering and enforcing the Act and Regulations.
- 2.6 Under the Act, registered persons can create STCs for electricity generated from certain renewable energy sources.
- 2.7 Section 23A of the Act establishes that STCs may be created after a SGU is installed, while regulation 20AC of the Regulations sets out the conditions which must be satisfied before those STCs can be created.
- 2.8 The number of STCs that may be created in relation to a SGU is determined in accordance with section 23B of the Act and regulation 20 of the Regulations and requires a calculation to be made based on multiplying the zone rating of the system by the rated power output of the system.
- 2.9 Between 1 June 2018 and 31 July 2018 inclusive, RETA received information from a third party purporting to relate to the installation of SGUs. No such SGUs were installed. Subsequently, RETA relied on that information to improperly create 3,068 STCs, in contravention of section 24A of the Act.
- 2.10 In addition, RETA relied on information provided by the same third party to create STCs in relation to three SGUs. In doing so, RETA created STCs in relation to the installation of 66 solar PV panels, when only 56 solar PV panels were installed. As a result, RETA improperly created 47 STCs in contravention of section 24A of the Act.
- 2.11 RETA had processes in place for conducting compliance checks prior to the creation of STCs.
- 2.12 Despite communicating concerns to the Regulator about the third party, RETA's compliance processes did not reveal the fact that the information supplied to them was incorrect, and that the SGUs purported to be installed, were not installed.
- 2.13 Similarly, these processes did not detect the discrepancies identified at paragraph 2.9 above.

- 2.14 RETA recognises that these checks need to be continually updated under a Compliance Program to identify and reduce the risk of breaching Regulatory Requirements for STC creation, remedy any breach that may occur, and continue to foster a culture of compliance within RETA and the wider SRES scheme.
- 2.15 RETA has cooperated with the Regulator in coming to an agreeable outcome regarding the conduct above and is committed to assisting the Regulator with any further investigations into the retailer involved in the conduct described above.
- 2.16 **Undertaking**
- 2.17 Under section 154Q of the Act, the Regulator may accept any of the following undertakings:
- a) a written undertaking given by a person that the person will, in order to comply with the Act, the Regulations or the associated provisions, take specified action;
 - b) a written undertaking given by a person that the person will, in order to comply with the Act, the Regulations or the associated provisions, refrain from taking specified action;
 - c) a written undertaking given by a person that the person will take specified action directed towards ensuring that the person does not contravene the Act, the Regulations or the associated provisions, or is unlikely to contravene the Act, the Regulations or the associated provisions, in the future; or
 - d) a written undertaking given by a person that the person will surrender one or more renewable energy certificates under section 28A of the Act, to compensate for the creation of one or more certificates that the person was not entitled to create.
- 2.18 RETA hereby undertakes to:
- Surrender of STCs*
- a) surrender 47 STCs, equivalent to the amount created for SGUs purported to contain more solar PV panels than were installed and identified in Annexure A, by close of business on 31 March 2019;
 - b) surrender 3,068 STCs, equivalent to the amount created for SGUs that had not been installed and identified in Annexure B, in accordance with the following schedule:
 - 1,534 STCs by close of business 31 March 2019, and
 - 1,534 STCs by close of business 30 June 2019;
- Compliance Program*
- c) at its own expense, establish a Compliance Program in accordance with the requirements set out in Annexure C, being a program designed to minimise RETA's risk of future contraventions of the Act and Regulations;
 - d) maintain and continue to implement the Compliance Program for a period of two years from the date of this Undertaking coming into effect; and
 - e) provide a copy of any documents required by the Regulator in accordance with Annexure C.

3. Acknowledgements

3.1 RETA acknowledges:

- a) the Regulator will make this Undertaking publicly available, including by publishing it on the Regulator's website;
- b) the Regulator and officers of the Regulator may, from time to time, make public reference to this Undertaking;
- c) this Undertaking in no way derogates from the rights and remedies available to the Commonwealth and any other person arising from any conduct of RETA; and
- d) it bears all costs associated with its compliance with this Undertaking.

4. Commencement of enforceable undertaking

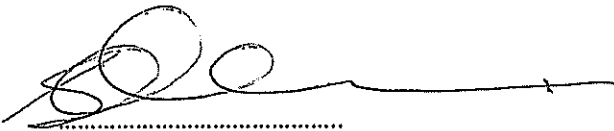
4.1 This undertaking comes into effect when:

- a) the Undertaking is executed by RETA; and
- b) the Regulator accepts the Undertaking so executed.

4.2 This undertaking ceases to have effect two years from the date of this undertaking coming into effect.

Executed by

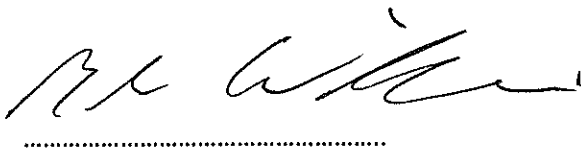
RETA (WA) Pty Ltd (ACN 153 673 931) by its authorised officer pursuant to section 127(1) of the *Corporations Act 2001*.



Director, For and on behalf of RETA (WA) Pty Ltd

This 06 day of MARCH 2019

Accepted by the Regulator pursuant to section 154Q of the *Renewable Energy (Electricity) Act 2000*.



Mark Williamson

Delegate of the Regulator

This 12TH day of MARCH 2019

ANNEXURE A

Installations for which RETA created too many certificates

Accreditation code	STCs over created	Installation State	Installation Date	STC Creation Date	Number of panels claimed	Number of panels installed
PVD2963245	19	NSW	17 May 2018	18 June 2018	22	18
PVD2964354	9	NSW	24 May 2018	19 June 2018	22	20
PVD2964353	19	NSW	17 May 2018	19 June 2018	22	18
Total	47					

ANNEXURE B

Certificates created by RETA (WA) for installations that do not exist

Accreditation code	STCs	Installation State	Installation Date	STC Creation Date
PVD2975724	106	NSW	10 June 2018	03 July 2018
PVD2976772	106	NSW	09 June 2018	04 July 2018
PVD2976771	106	NSW	08 June 2018	04 July 2018
PVD2976769	106	NSW	05 June 2018	04 July 2018
PVD2976768	106	NSW	04 June 2018	04 July 2018
PVD2976767	106	NSW	03 June 2018	04 July 2018
PVD2976777	106	NSW	02 June 2018	04 July 2018
PVD2976766	97	NSW	01 June 2018	04 July 2018
PVD2976770	106	NSW	06 June 2018	04 July 2018
PVD2978069	106	NSW	02 June 2018	05 July 2018
PVD2987089	106	NSW	25 June 2018	17 July 2018
PVD2987085	213	NSW	26 June 2018	17 July 2018
PVD2987090	106	NSW	23 June 2018	17 July 2018
PVD2987087	106	NSW	21 June 2018	17 July 2018
PVD2987086	106	NSW	21 June 2018	17 July 2018
PVD2987088	106	NSW	22 June 2018	17 July 2018
PVD2987091	106	NSW	28 June 2018	17 July 2018
PVD2987084	106	NSW	26 June 2018	17 July 2018
PVD2987083	106	NSW	19 June 2018	17 July 2018
PVD2987092	106	NSW	29 June 2018	17 July 2018
PVD2990487	106	NSW	16 June 2018	20 July 2018
PVD2990488	106	NSW	15 June 2018	20 July 2018
PVD2990489	106	NSW	14 June 2018	20 July 2018
PVD2990490	213	NSW	13 June 2018	20 July 2018
PVD2990491	106	NSW	12 June 2018	20 July 2018
PVD2990492	213	NSW	11 June 2018	20 July 2018
Total	3,068			

Small-scale Renewable Energy Scheme Compliance Program

RETA (WA) Pty Ltd ACN 153 673 931 (RETA) will establish a Small-scale Renewable Energy Scheme Compliance Program (Compliance Program) that complies with the following requirements:

Appointments

1. Within 1 month of the Undertaking to the Clean Energy Regulator (Regulator) by RETA (the Undertaking) coming into effect, RETA will appoint a director or a senior manager to be responsible for the development, implementation and maintenance of the Compliance Program (the Compliance Officer).

Compliance Procedures

2. Within 2 months of the Undertaking coming into effect, the Compliance Officer will develop and implement new compliance procedures that ensure, to the best of RETAs ability, prior to any creation of a Small-scale Technology Certificate (STC) in the REC Registry, all requirements for STC creation under the *Renewable Energy (Electricity) Act 2000* (Act) and the *Renewable Energy (Electricity) Regulations 2001* (Regulations) are met (the Compliance Procedures).
3. The Compliance Procedures will include:
 - a. updated internal compliance checks which include but not limited to increasing the number of telephone audits to customers confirming that solar systems are installed and that the details on the assignment forms are correct;
 - b. a 100 point ID check on all new installers and retailers using electronic authentication checks with appropriate software prior to being offered a cash on delivery payment option for their STCs;
 - c. steps that ensure, prior to any STC creation, all requirements under the Act and the Regulations are met. The new compliance procedures will contain a strong emphasis on, but not be limited to, ensuring STCs are created for small generation units that:
 - i. have been installed;
 - ii. are compliant with all local, state and territory government requirements;
 - iii. contain compliant PV systems;
 - iv. are installed by a Clean Energy Council accredited installer; and
 - v. are designed by a Clean Energy Council designer;
 - d. a documented procedure to ensure any improper creation of STCs is reported to the Regulator within 72 hours; and
 - e. the ability to provide compliance procedures and records, on request, to the Regulator.

SPV initiative

4. RETA has been an active participant in the SPV initiative. RETA will use best endeavours to ensure that where STCs are created for an approved solar panel manufacturer, the solar PV panel be validated via SPV, before creating certificates. Alternatively other evidence-based systems (such as serial number photos and photos of compliance plates) will be used to verify panel validity

SRES Smart

5. RETA will ensure all current and future staff who have permissions within the REC Registry to create certificates will complete the SRES Smart program.

Regulator Recommendations

6. RETA will implement promptly and with due diligence any recommendations that the Regulator may make that the Regulator deems reasonably necessary to ensure that RETA maintains and continues to implement the Compliance Program in accordance with the requirements of this Undertaking.