On 31 August 2020, the Minister for Energy launched the Distributed Energy Buyback Scheme (DEBS), which introduces payments for energy exported from eligible home batteries and electric vehicles.

Rooftop solar PV panels, batteries and electric vehicles are transforming Western Australia’s electricity system and this is one of many measures being progressed as part of the McGowan Government’s Energy Transformation Strategy. This Strategy aims to better integrate new technologies, enabling a greener grid for the benefit of all Western Australians and avoids the risk of needing to limit new solar installations.

DEBS will apply to eligible customers installing a new solar PV system or battery, or upgrading the size of their existing PV system (up to a 5kW maximum size). It will also apply to customers moving into a premises with existing solar PV.

DEBS key facts:
- Buyback of eligible household exports expanded to include PV, battery storage and EVs
- Time of export rates that better reflect wholesale electricity costs
- As with REBS, capacity of renewable energy (i.e. PV) systems limited to 5kW
- No limit on battery or EV capacity
- Buyback payments are capped at 50 units/day
- The application process remains the same

Rates:

<table>
<thead>
<tr>
<th>Time</th>
<th>Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Peak rate between 3pm and 9pm</td>
<td>10c/kWh</td>
</tr>
<tr>
<td>All other times</td>
<td>3c/kWh</td>
</tr>
</tbody>
</table>

DEBS replaces the previous REBS for new and upgraded applications.

There is a grace period of one week for customers already in the process of finalising their application. These applications must be received by the retailer on or before 7 September 2020 to receive REBS.
**Why the change from REBS to DEBS?**

The electricity system is changing. Western Australians are taking up rooftop solar panels at a rapid rate, with around one in three households having a rooftop solar system and this is expected to grow to one in two over the next decade. With new technological developments enabling distributed energy resources to either use, generate or store electricity forming part of our grid, we are in a prime position to take advantage of Western Australia’s abundant sunshine and new technologies.

With DEBS, the new pricing structure encourages households to either use or store their solar energy generation in the middle of the day when it is plentiful and to install west facing panels that will generate electricity later in the day i.e. producing more renewable energy when it is in high demand.

**What will the buyback rate be under DEBS?**

From 6 November 2020, DEBS buyback export rates will be:

<table>
<thead>
<tr>
<th>Time</th>
<th>Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>For export at peak times</td>
<td>10c/kWh</td>
</tr>
<tr>
<td>between 3pm and 9pm</td>
<td></td>
</tr>
<tr>
<td>For export at other times</td>
<td>3c/kWh</td>
</tr>
</tbody>
</table>

Prior to 6 November 2020, DEBS customers will be paid the current REBS buyback rate for their exported energy – including for energy exported from home batteries. Rates will differ for some Horizon Power towns. The DEBS rates will be reviewed and adjusted each year, just like other electricity prices.

**What do I need to do?**

The application process has not changed. You can apply to the customer’s retailer (Synergy or Horizon Power) on their behalf in the same way that you would have applied for REBS. Your customer is also able to apply themselves.

If the application has already been made under REBS but your customer prefers to receive DEBS, they can contact their retailer to request to switch to DEBS.

If you are upgrading an existing system for an existing REBS customer, that is, you are increasing the inverter size or installing a battery, you or the customer is required to notify the retailer of the upgrade in the usual way. The customer will start receiving DEBS payments provided the system still meets the eligibility criteria.

**What does DEBS mean for customers receiving REBS?**

Customers already receiving REBS will see no change. However, a REBS customer will switch to DEBS if they:

- Increase the size of their renewable energy system (e.g. upgrade a 2kW solar PV system to a 5kW solar PV system); or
- Install a battery storage system at their premises, including an electric vehicle that is set up to be able to export energy to the grid (vehicle-to-grid, or V2G); or
- Choose to switch from REBS to DEBS. Customers may need to pay for a meter change depending on the type of meter they have.

As with REBS, to be eligible for DEBS a solar PV system needs to have a generating capacity of 5kW or less. A 6.6kW solar system with 5kVa inverter is accepted as having a generating capacity of 5kW.

DEBS eligibility has no requirement around battery or battery inverter capacity. However, retailers are only obligated to offer buyback payments on up to 50kWh per day. This is more than a 5kW solar system would be expected to produce in a day, even under ideal conditions.

**My customer is a Horizon Power customer. How does this affect me?**

DEBS will apply to most Horizon Power customers in the same as it does to Synergy customers.

However, customers who live in some towns with a high generation costs (e.g. one that relies on diesel-fired generation) will receive a higher buyback rate, which does not vary over the course of the day. For more information on the buyback rate that applies, go to www.horizonpower.com.au/DER.
How can I help my customers maximise the financial benefit of their renewable energy or battery system?

There are three main ways to help customers maximise financial benefit from their investment:

- Installing west-facing panels will increase generation in the afternoon, after 3pm. Customers will also receive higher payments for any exports after this time.
- Shifting electricity use to the daytime. Like REBS, under DEBS a customer will receive more financial benefit from consuming their own electricity rather than exporting to the grid. Installers can assist customers to set timers on devices such as pool pumps and heat pumps so that they operate in the middle to the day.
- Assist customers to size their system appropriate to their electricity use. The main financial benefit that customers receive from solar PV (and home battery) systems comes from using the electricity they generate, rather than from exporting it.


**Quantifying bill savings**

A customer using electricity from their own solar PV system means they do not have to pay for that electricity from the grid, which is the main contributor to the financial benefit of a solar PV system for a typical household. It may be helpful to quantify bill savings arising from self-consumption, so customers understand the benefit of shifting electricity use to when their system will be generating.

For every unit of energy your customer consumes from their solar system, they save the unit price of electricity that they would have paid, if they used that energy from the grid. During non-peak times this is nearly ten times the payment a customer will receive for exports under DEBS, and nearly three time the amount during peak times.

Under DEBS, for residential Synergy customers on the A1 tariff (and for most Horizon Power customers on the A2 tariff), the financial benefit is:

<table>
<thead>
<tr>
<th>Time</th>
<th>Self-consumed</th>
<th>Exported (i.e. DEBS Payment*)</th>
</tr>
</thead>
<tbody>
<tr>
<td>3pm-9pm</td>
<td>28.8 c/kWh</td>
<td>10 c/kWh</td>
</tr>
<tr>
<td>All other times</td>
<td>28.8c/kWh</td>
<td>3 c/kWh</td>
</tr>
</tbody>
</table>

* These rates will vary for Horizon Power customers in towns with high generation costs that will receive higher DEBS rates.

**Example**

Layla is considering solar panels to reduce her power bills. She uses 20kWh of electricity a day costing her around $400 every two months. She reviews her household electricity use and estimates that she will use about 4kWh when the sun shines, which could reduce her bills by $1.15 a day.

Layla’s installer suggests that she can power an extra 10kWh from her solar panels by shifting the times she uses her pool pump, dishwasher and washing machine from evening to daytime. This will save her an additional $2.90 per day.

Layla decides to purchase a system with 6.6kW panels and a 5kW inverter. The installer suggests over half of the panels to face west to increase exports after 3pm, which attracts the peak 10c DEBS rate.
Feed-in tariff customers

Some customers upgrading their systems may have been receiving the premium feed-in tariff (FiT). This was a buyback scheme available to eligible customers who applied before August 2011. FiT customers received a subsidised buyback rate for 10 years to help them pay for the upfront cost of their system.

Customers will begin to roll-off the FiT from August 2020. Under the scheme, customers were not able to upgrade their systems and continue to receive FiT payments, and so may choose to upgrade when they no longer receive the FiT. An upgrade will also result in these customers switching from REBS to DEBS.

The FiT rate incentivised customers to export their generation rather than self-consume. Customers no longer receiving the FiT will receive more benefit from their system if they change their electricity use to consume more of what they generate.

Where can I get more information?

For more information on DEBS, and to access Frequently Asked Questions, please visit Energy Policy WA’s website here: Energy Buyback Schemes or contact the appropriate electricity retailer, either Synergy (13 13 53) or Horizon Power (1800 267 926).

To find out more about the WA Energy Transformation Strategy visit our website: brighterenergyfuture.wa.gov.au

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