

\$600,000 in solar credit in dispute as firm fails

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The Federal Court is being asked to decide who owns more than \$600,000 worth of solar credits left after a Canberra renewable energy firm went into administration earlier this year.

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Enviro Friendly Products owed more than \$750,000 when it went into administration in January.

Liquidator Worrells Solvency and Forensic Accountants wants the court to direct how to deal with the solar credits, known as STCs.

Issued by the Commonwealth government's Clean Energy Regulator, they are trading at a little over \$30 a certificate and collectively are worth more than \$600,000.

Klaus Matthaei, one of 260 customers issued with certificates, said customers included pensioners who had borrowed money to buy solar panels or solar hot water systems and still had quite a lot to pay back.

In documents filed with the court, Mr Matthaei has raised concerns that many customers were unaware of the court proceedings, and that he had tracked down 59 other customers who had little idea of what was happening.

Also, Mr Matthaei said 15,000 STCs worth \$475,000 were missing and those funds should be reimbursed before any other creditors were paid.

He told the court the remaining STCs should be treated as separate from the assets of Enviro Friendly Products and administered by the eligible beneficiaries and the profits distributed among them.

"The cost of the missing STCs should be claimed from the liquidation of the company and if necessary from the assets of the directors," he said in his statement to the court.

Mr Matthaei told *The Canberra Times* he and his wife spent about \$24,000 on panels and believed they would get back \$8000 from the credits over 18 months.

Worrells Solvency partner Stephen Hundy said customers were entitled to a certain number of certificates depending on the size of solar hot water or solar panel systems they bought.

They had been given the option of assigning their rights to an agent.

EFP was a registered agent and some of those rights could have been assigned to the company to create certificates.

He said the company indicated to customers they would register the 21,000 certificates and hold them on the customers' behalf, even though they were registered in the company's name.

"The first thing we need the court to find or direct, is whether they were certificates held in trust for the customers.

"As the liquidator, we're not putting any positions forward, we have simply put facts before the court and provided options how to deal with certificates, and because different customers are affected in different ways.

"Some no longer have certificates in the system. Some still have them in the system, in the company's name."

Mr Hundy told *The Canberra Times* earlier this year factors contributing to the demise of Enviro Friendly Products included changes to the ACT government's feed-in-tariff scheme, which ended abruptly in May.

At the time the government said the feed-in tariff contributed to growth in the ACT solar market, and interest was mostly driven by the high level of assistance from the federal government's solar credits program.

This story was found at: <http://www.canberratimes.com.au/act-news/600000-in-solar-credit-in-dispute-as-firm-fails-20121022-281tl.html>