

Draft decision on solar feed-in tariffs 2015-16



31 August 2015



WHAT

This Fact Sheet summarises IPART's draft decision on the 'benchmark range' for solar feed-in tariffs in 2015-16.

Our draft decision is that the benchmark range in 2015-16 is **4.4 to 5.8 cents per kilowatt hour** (c/kWh).



WHY

The NSW Government has asked IPART to recommend a benchmark range for solar feed-in tariffs as a guide for households and small businesses with solar photovoltaic units (PV customers).



WHO

The benchmark range is a guide for PV customers who **are not** receiving subsidised feed-in tariffs (either 20c or 60c per kilowatt hour) under the NSW Solar Bonus Scheme.

PV customers who are not part of this scheme may receive an unsubsidised feed-in tariff as part of a retailer's electricity market offer. The benchmark range is only a guide – retailers are able to decide whether they will offer feed-in tariffs and how much to offer.



HOW

Our draft decision on the benchmark range is based on our estimate of the subsidy-free value of PV exports to an electricity retailer in 2015-16.

The largest value that PV exports provide to a retailer is the avoided cost of purchasing electricity in the wholesale market. We undertook modelling to estimate this value in 2015-16.

Our draft decision for 2015-16 is lower than in previous years because recently wholesale electricity prices have been relatively low and the outlook for 2015-16 is that they will continue to be relatively low.

Also, our draft decision on the benchmark range is lower than the retail price of electricity. See Box 1 for more information.



WHERE

The benchmark range is a guide for PV customers located in New South Wales.



WHAT NEXT

More information on our draft decision is provided in our Draft Report.

We are inviting written submissions on our draft decision until **28 September 2015**.

Our Draft Report and information on how to make a submission are available on our website, www.ipart.nsw.gov.au.

We recommend that customers shop around for the best overall electricity deal including electricity prices, solar feed-in tariffs and other fees and charges.

The Australian Government's website, www.energymadeeasy.gov.au is a good place to start.

Box 1 Why is the solar feed-in tariff less than the retail price of electricity?

