

DRAFT REPORT – SOLAR FEED-IN TARIFFS FOR 2015-16

31 August 2015

The Independent Pricing and Regulatory Tribunal (IPART) has today released its Draft Report on solar feed-in tariffs. IPART's draft decision is that the benchmark range for voluntary solar feed-in tariffs in 2015-16 is 4.4 to 5.8 cents per kilowatt hour (c/kWh).

Electricity retailers in NSW have the flexibility to set their own feed-in tariffs. IPART sets a benchmark range each year as a guide for retailers and solar customers on the likely value of electricity exported to the grid from solar PV units. The voluntary benchmark does not affect the rates paid to consumers who are part of the Solar Bonus Scheme.

IPART Chairman, Dr Peter Boxall, said IPART's draft decision on the benchmark range for 2015-16 is lower than last year due to lower and less volatile wholesale spot electricity prices.

"High spot prices during the day generally increase the value of PV exports. In recent years, spot prices have been fairly low and flat during the day, and this has contributed to the lower value of PV exports," Dr Boxall said.

"Solar customers should consider feed-in tariffs as part of an overall electricity contract package and shop around for the best deal that takes both their electricity consumption and solar exports into account," Dr Boxall said. "Feed-in tariffs are only one component of a retailer's market offer and the retailer with the highest feed-in tariff may not provide the best deal overall."

"We encourage customers to look for the best overall deal for their own situation, which includes usage rates, and other terms and conditions as well as the feed-in tariff. The Commonwealth Government's Energy Made Easy website is a good place to start."

IPART has also made a Draft Determination that the mandatory contribution from electricity retailers to the NSW Government should be 4.9 c/kWh of PV electricity exported by Solar Bonus Scheme customers in 2015-16. The retailer contribution is also lower than last year due to lower and less volatile spot electricity prices.

IPART's decisions do not affect customers in the Solar Bonus Scheme who will continue to receive a subsidised feed-in tariff of either 20c or 60 c/kWh until the scheme ends on 31 December 2016.

IPART's draft report and accompanying documents are available on IPART's website <<http://www.ipart.nsw.gov.au>>.

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