

REVIEW OF NSW SOLAR FEED-IN TARIFFS

10am, 27 November 2013

The Independent Pricing and Regulatory Tribunal (IPART) is seeking community input into its annual review of solar feed-in tariffs.

Releasing an Issues Paper for public comment today, IPART Chairman, Dr Peter Boxall, said the review will determine the subsidy-free value of electricity exported from solar PV units.

“We will determine a benchmark range for solar feed-in tariffs which is designed to help customers choose the best combination of electricity prices and feed-in tariffs on offer to meet their specific needs,” Dr Boxall said.

The benchmark range applies to solar feed-in tariffs for solar PV units installed after the Solar Bonus Scheme closed to new applicants in April 2011.

Retailers are not required to offer a feed-in tariff to customers outside of the Solar Bonus Scheme, but many do so voluntarily to attract solar households as customers.

Dr Boxall said the NSW Government provided a terms of reference that sets out the scope of the review.

“This review requires that the value of solar PV exports that we estimate be subsidy-free, including free from cross-subsidies from other customers. This rules out a 1-for-1 feed-in tariff because retailers would make a loss on solar customers and might avoid serving them,” Dr Boxall said.

“However, it is important to recognise that the benefits of solar come not only from feed-in tariffs, but more substantially from avoiding the need to purchase as much energy from retailers.”

Dr Boxall said IPART is seeking input into the ways the value of solar PV exports is estimated, before preparing a draft report for further comment in April 2014 and a final report and determination in June 2014.

The Issues Paper is available on IPART’s website <<http://www.ipart.nsw.gov.au>>. Submissions are due by 31 January 2014.

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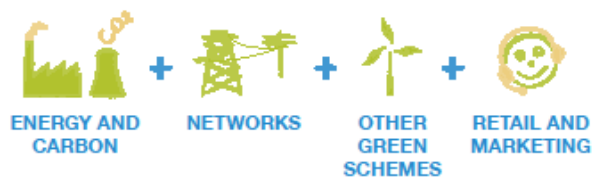
Background

Why don't we have a '1-for-1' feed-in tariff?

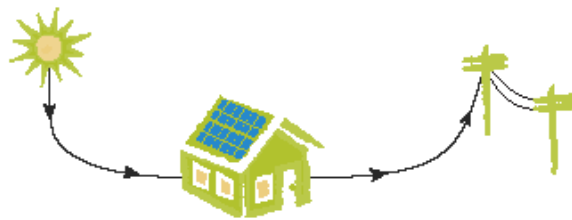


Why is the solar feed-in-tariff less than the price of electricity?

Electricity retailers set their prices to recover the costs of conducting their business.



When you export solar electricity to the grid, retailers save on the amount of energy they need to buy,



but they still incur costs for networks, green schemes and retailing.



So if retailers were required to pay the retail price as a feed-in tariff, they would make a loss.



This would make retailers avoid servicing solar customers.



Benefits of solar PV

