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The FIT should represent the true value of solar to the NSW community. It is only now becoming clear how valuable the FIT to the NEM. I refer IPART to 2 recent articles. The first points out the important contribution of household solar to the NEM (Rooftop solar saved NSW consumers nearly \$1 billion in heatwave, Giles Parkinson, Renew Economy 17 May 2017). This article reports on analysis of the impact of household solar in restraining skyrocketing spot prices during 3 days in February. Prices were estimated to be \$888 million less than they otherwise would have been due to household solar. For that benefit the estimated return to solar house owners was a paltry \$9.6 million! The second article (Coal plants failed in Queensland heatwave on day of record demand, Giles Parkinson, Renew Economy, 18 May 2017) reviews an AER report on the parlous state of much of our aging fossil fuel generators. They are not able to operate effectively in heatwave conditions. There is now plenty of evidence that household solar in QLD and NSW during last summer helped avert serious load shedding in both States.

Household solar not only should be paid a fair price based on average wholesale prices as recommended in IPART's draft report, they should be paid a premium above average wholesale prices in order to reflect the massive contribution they are now making to the security of the NEM. And as they are now an essential generation source, the FIT should be mandatory.

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