

16 April 2018

**2018 Solar feed-in tariff review**

Independent Pricing and Regulatory Tribunal  
PO Box K35  
Haymarket Post Shop  
NSW 1240

Dear Sir / Madam,

**Response to IPART Solar Feed-in tariffs review: the value of electricity from small-scale solar panels in 2018-19**

Simply Energy welcomes this opportunity to respond to the Independent Pricing and Regulatory Tribunal's (IPART) Draft Report on the subsidy-free value of electricity from small-scale solar PV units from 2018-19.

Simply Energy considers the existing approach IPART takes to forecast the cost of electricity based on ASX baseload contract process and an assumed contract premium is reasonable, as it provides a consistent approach and takes account of the current market. Simply Energy supports the utilisation of the 25<sup>th</sup> percentile to calculate the solar multiplier, as this is consistent with previous years and results in a more accurate price value. Inclusion of data from Essential Energy and Endeavour Energy may add complexity to the calculation, as these customers may have very different characteristics to those included in the current dataset, but on balance Simply Energy supports this as it aligns the calculation more closely to the way energy is exported in a greater number of regional areas.

Simply Energy agrees with IPART's view that historical data provides the best indication of future wholesale pricing patterns, for the purposes of IPART's model. Simply Energy also considers that the inclusion of data from 2011 onwards represents the best estimation of the conditions for the purposes of this modelling.

Given the sample sizes of data available from Essential Energy and Endeavour Energy, we consider it prudent to include all of the data for a relevant period for these areas, which should result in a more indicative picture of actual solar output. Where available, Simply Energy would consider the inclusion of three years' data from the Essential Energy and Endeavour Energy networks to provide a relevant representation of the solar generation patterns in these areas.

Simply Energy would be pleased to discuss any matters raised within this response with IPART. Please contact Courtney Markham at [Courtney.Markham@simplyenergy.com.au](mailto:Courtney.Markham@simplyenergy.com.au) or 03 8807 1179.



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