



7 June 2013

Solar feed-in tariff review
PO Box Q290
QVB Post Office
NSW 1230

[by email]

Dear Sir/Madam

RE: REVIEW OF SOLAR FEED-IN TARIFFS

Origin welcomes this opportunity to respond to IPART's review of solar feed-in tariffs for 2013-14.

Origin supports a retail market-based approach to setting a value for the energy provided by customers from solar generation. If mandated contributions are not set at market levels then this will distort investment decisions and create cross-subsidies.

Origin recognises that IPART's terms of reference require IPART to determine a mandated contribution rate to the Solar Bonus Scheme and notes that IPART is required to have regard to the direct financial gain to retailers, including discounts for market offers, as set out in IPART's final report in March 2012. In assessing a benchmark range the terms of reference require that IPART should take into account its modeling of the wholesale market value for the relevant year and the direct financial gain to Standard Retailers for the relevant year.

In considering changes in the benefit to retailers from solar exports for FY14 Origin notes that IPART's recent draft retail price determination indicated a decline in wholesale energy costs since IPART calculated the feed-in tariff for 2012-13, implying a lower value of solar feed in tariff in 2013-14.

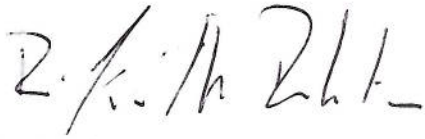
While retailers benefit from the energy produced from rooftop solar panels, solar customers also drive additional cost, due to the complexity of their accounts and billing arrangements. These costs have grown as a result of differences between various feed-in tariff schemes across and within Australian jurisdictions.

In assessing the benefit to retailers, Origin encourages IPART to recognise the risk to retailers and to retail competition of overstating the retailer solar benefit. Retailers should not be exposed to risk in relation to a scheme under which the Government controlled the level of uptake.

Origin supports a benchmark range for solar feed in tariffs that reflects the current range of commercially determined feed-in tariff offer available in the market.

If you have any questions regarding this submission please contact me in the first instance on 02 9503 5674.

Yours sincerely

A handwritten signature in black ink, appearing to read 'K. Robertson', written in a cursive style.

Keith Robertson
Manager Retail Regulatory Policy