IPART

Independent Pricing and Regulatory Tribunal

New South Wales

Public Forum

Draft Solar Feed-In Tariffs 2018-19

Sydney Public Forum – Level 15

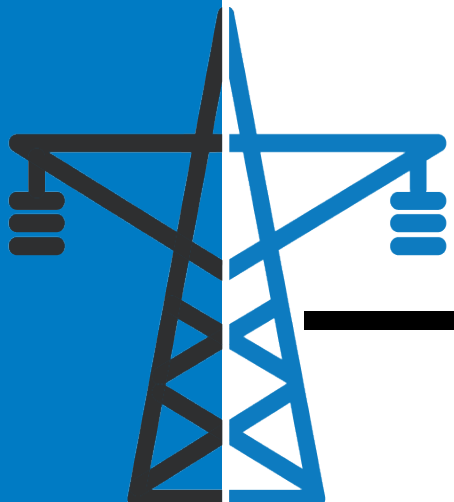
15 May 2018

The Government has asked us to set benchmarks **each year**

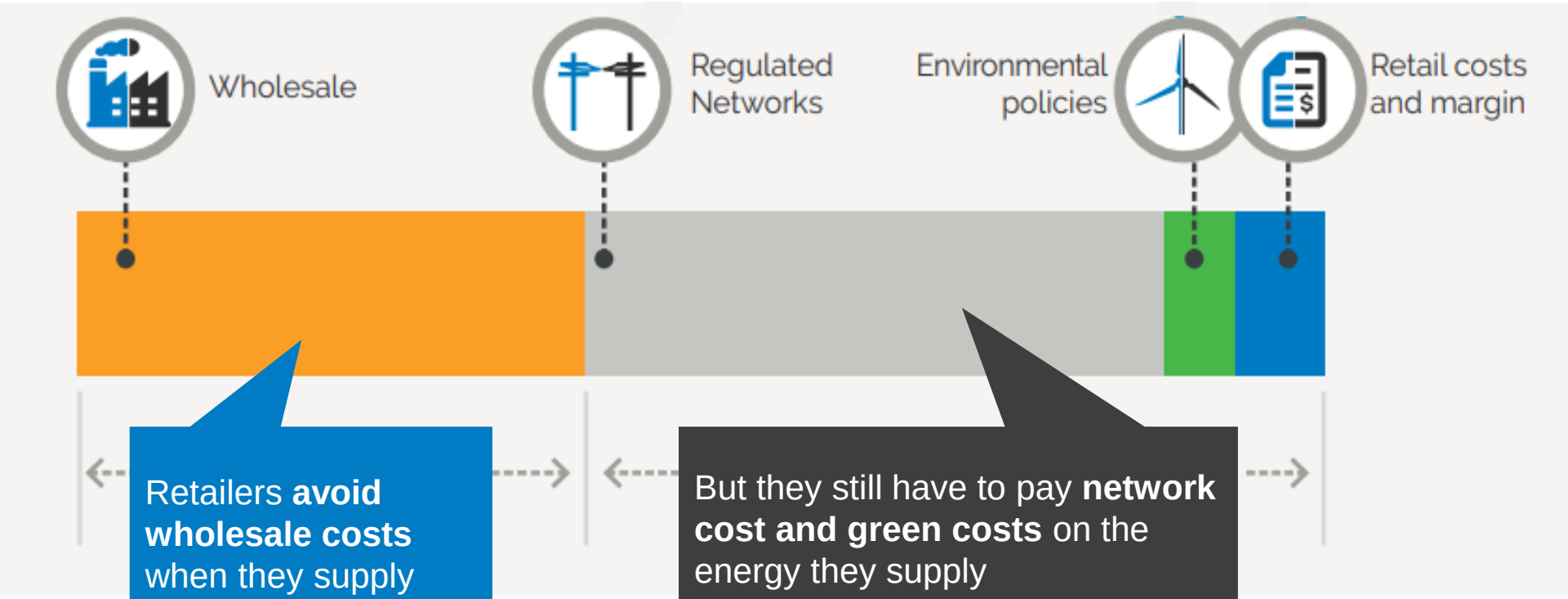
NSW Electricity Retailers can choose whether or not to offer solar feed-in tariffs

To help guide retailers and customers, IPART annually recommends a benchmark

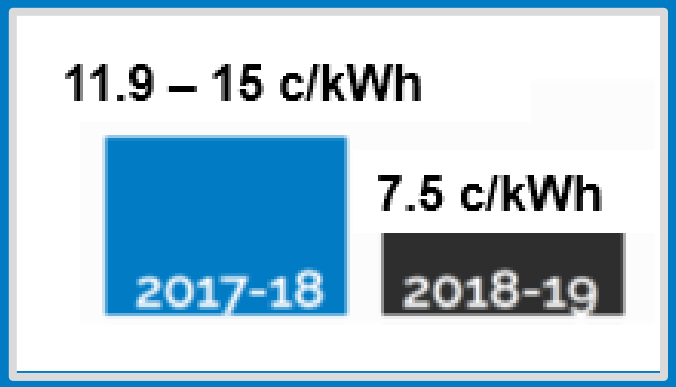
Our draft all-day feed-in benchmark is 7.5 c/kwh

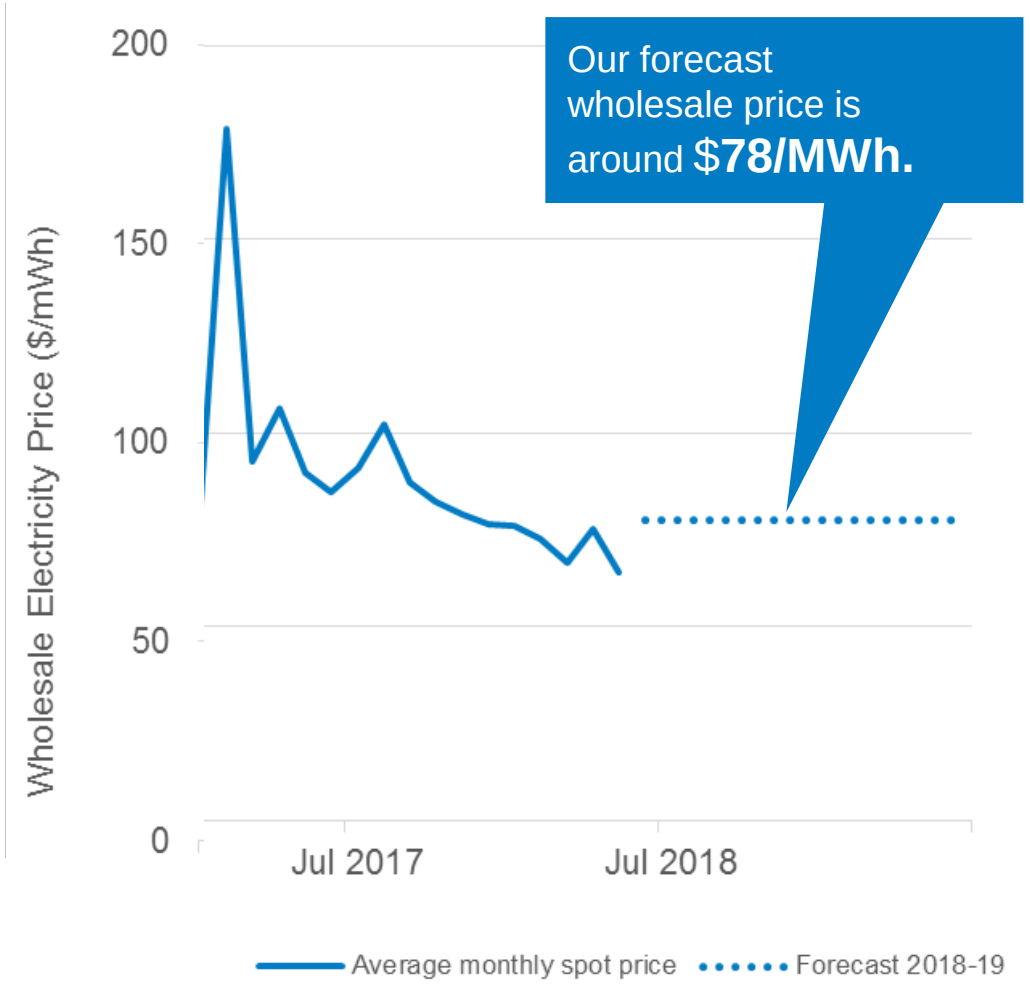


Our benchmarks are based on **what retailers would pay** to purchase electricity from the NEM

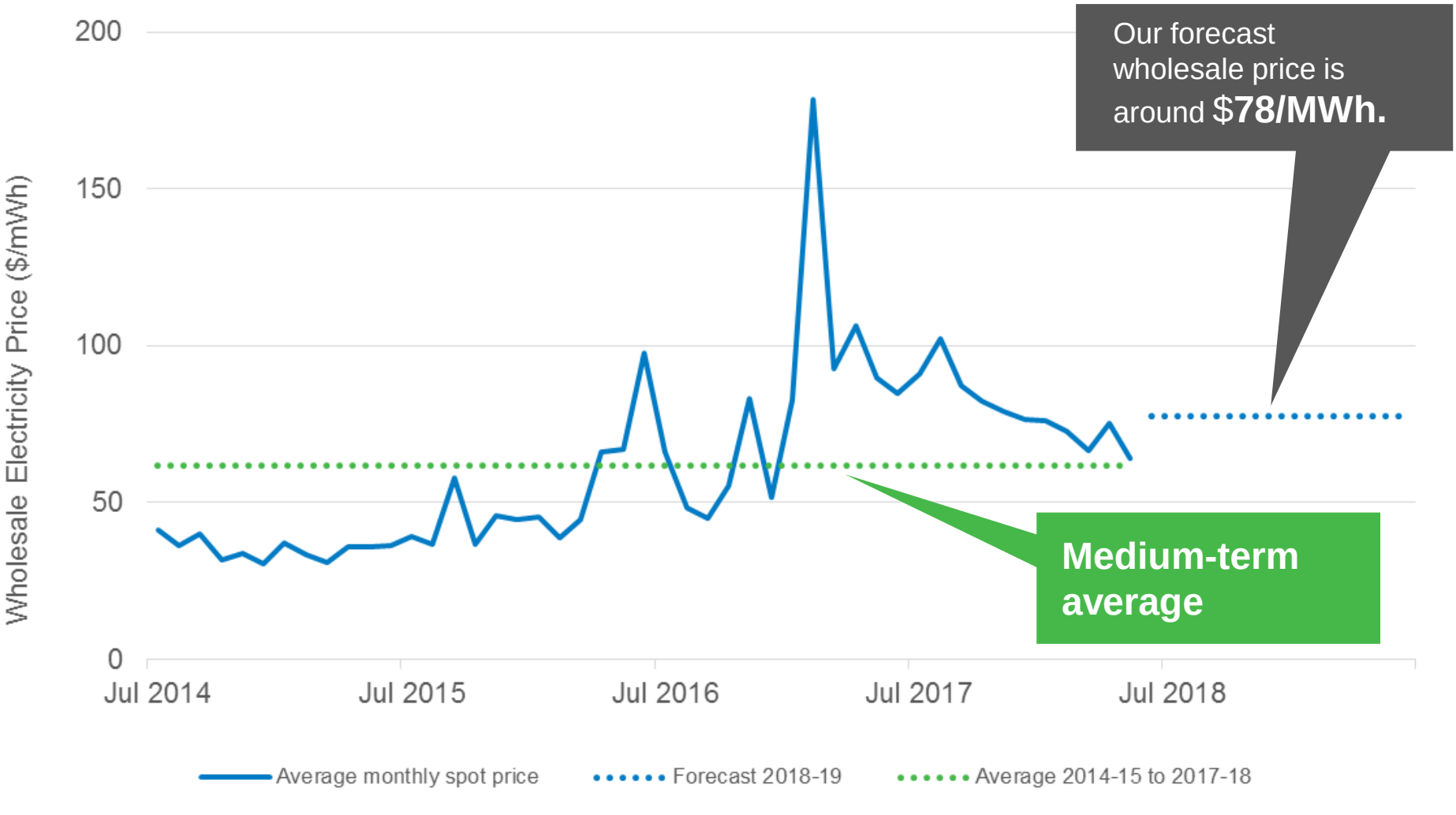


The draft benchmark is lower than last year mainly due to a **lower forecast wholesale price**

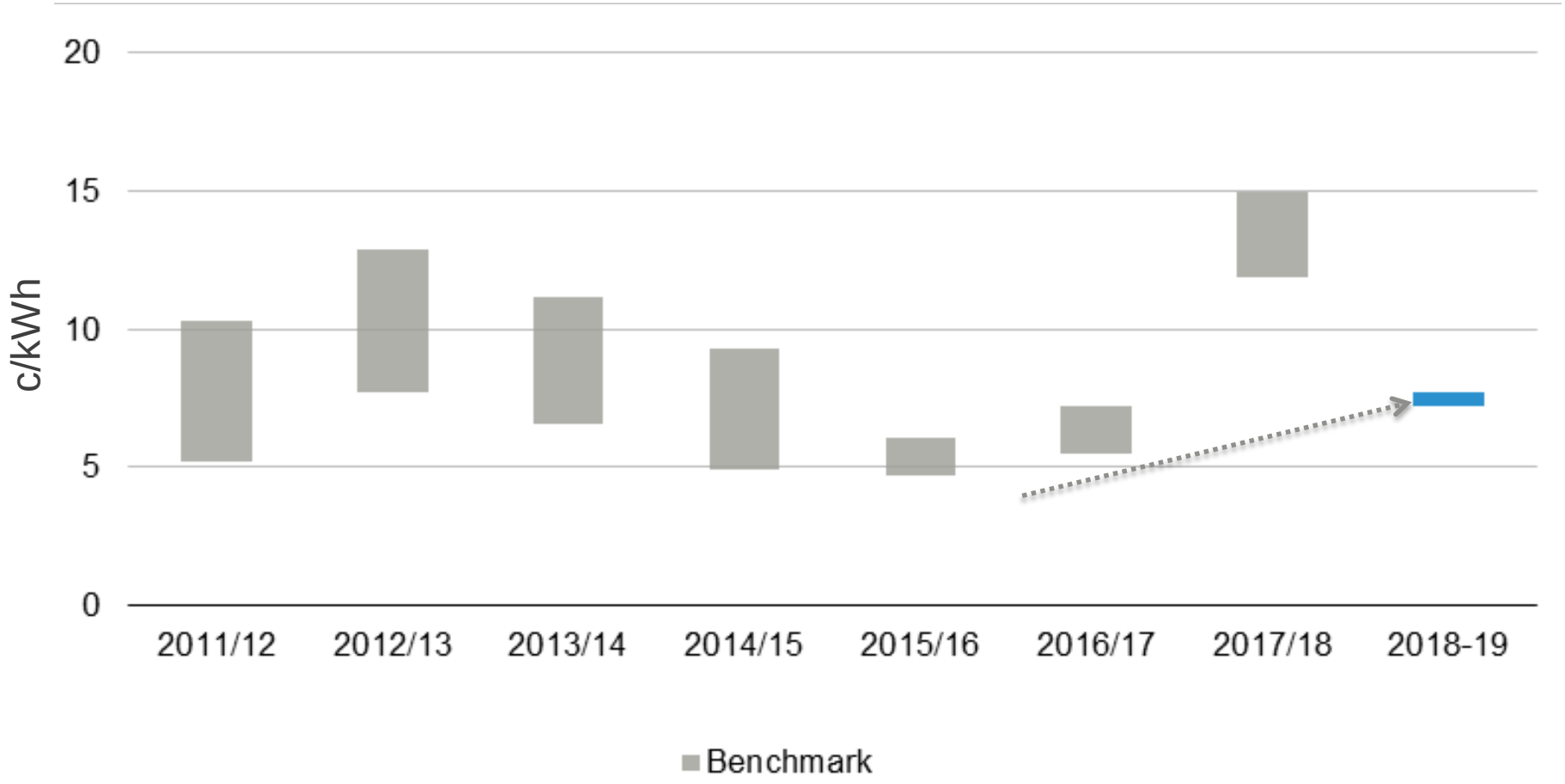




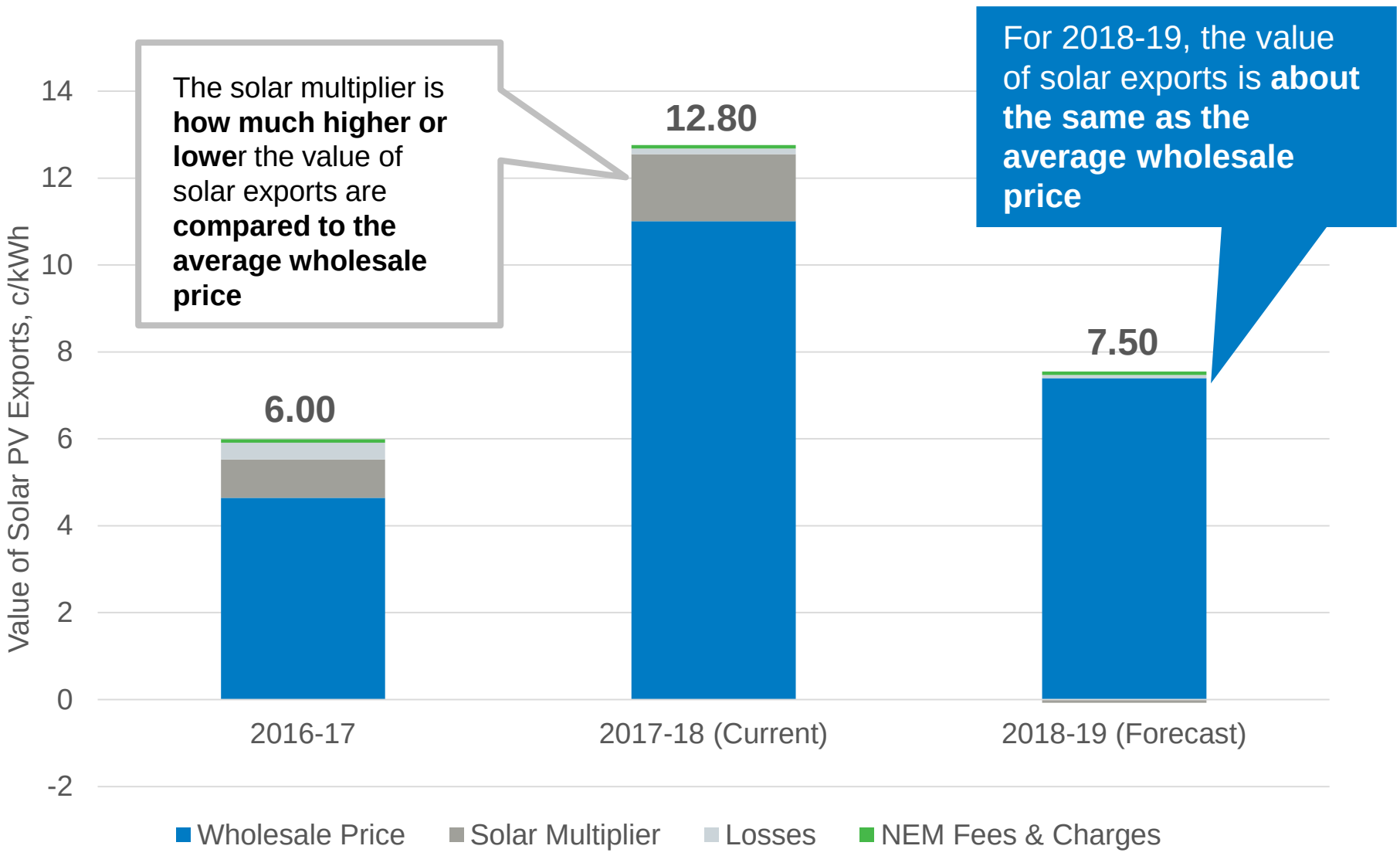
But forecast wholesale prices are **still above the medium-term average**



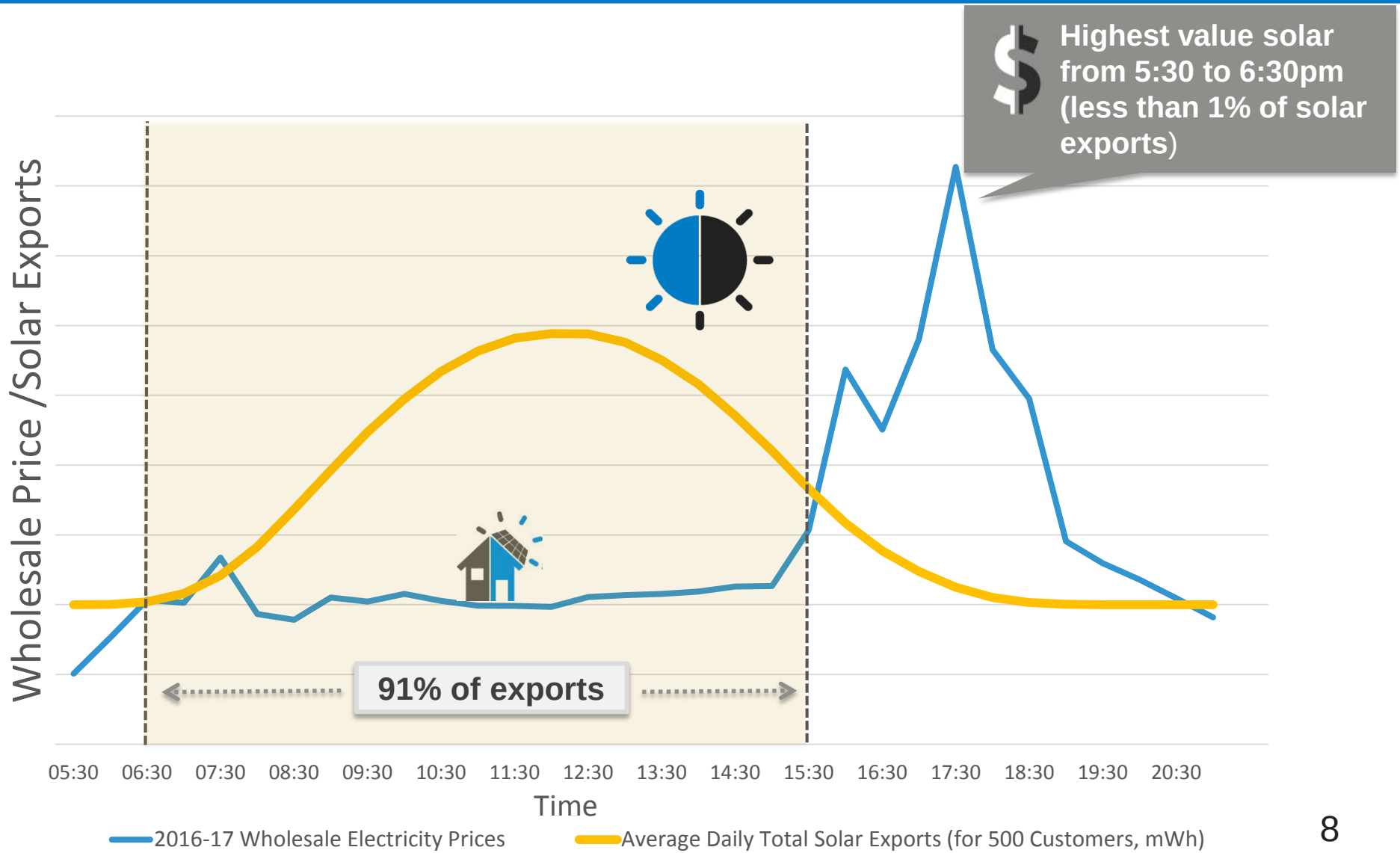
The draft benchmark is **higher** than it was in **2015-16 and 2016-17**



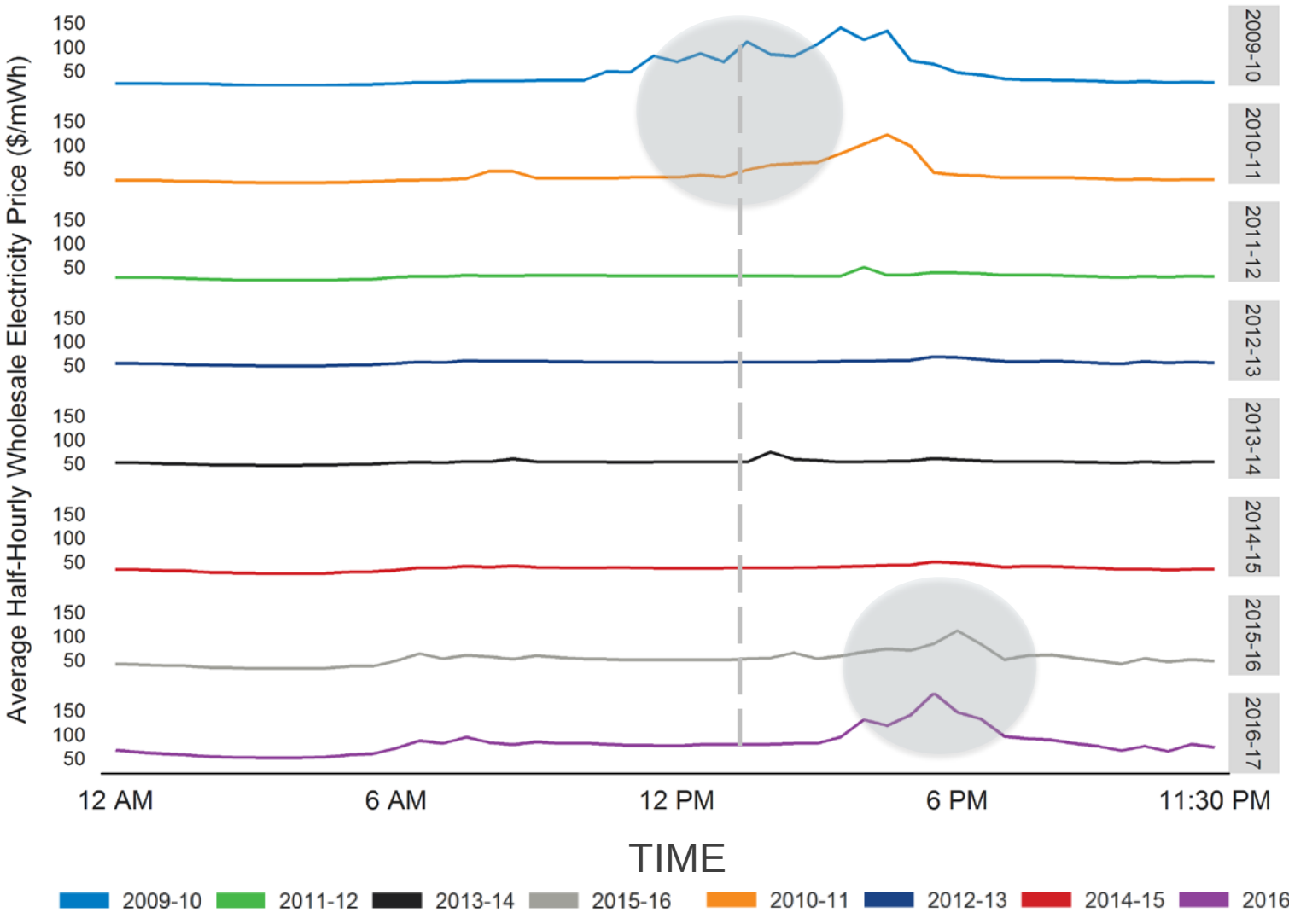
The solar multiplier is a smaller **component of our draft benchmark for 2018-19**



Wholesale prices are **relatively flat** for the **times that most solar is exported**

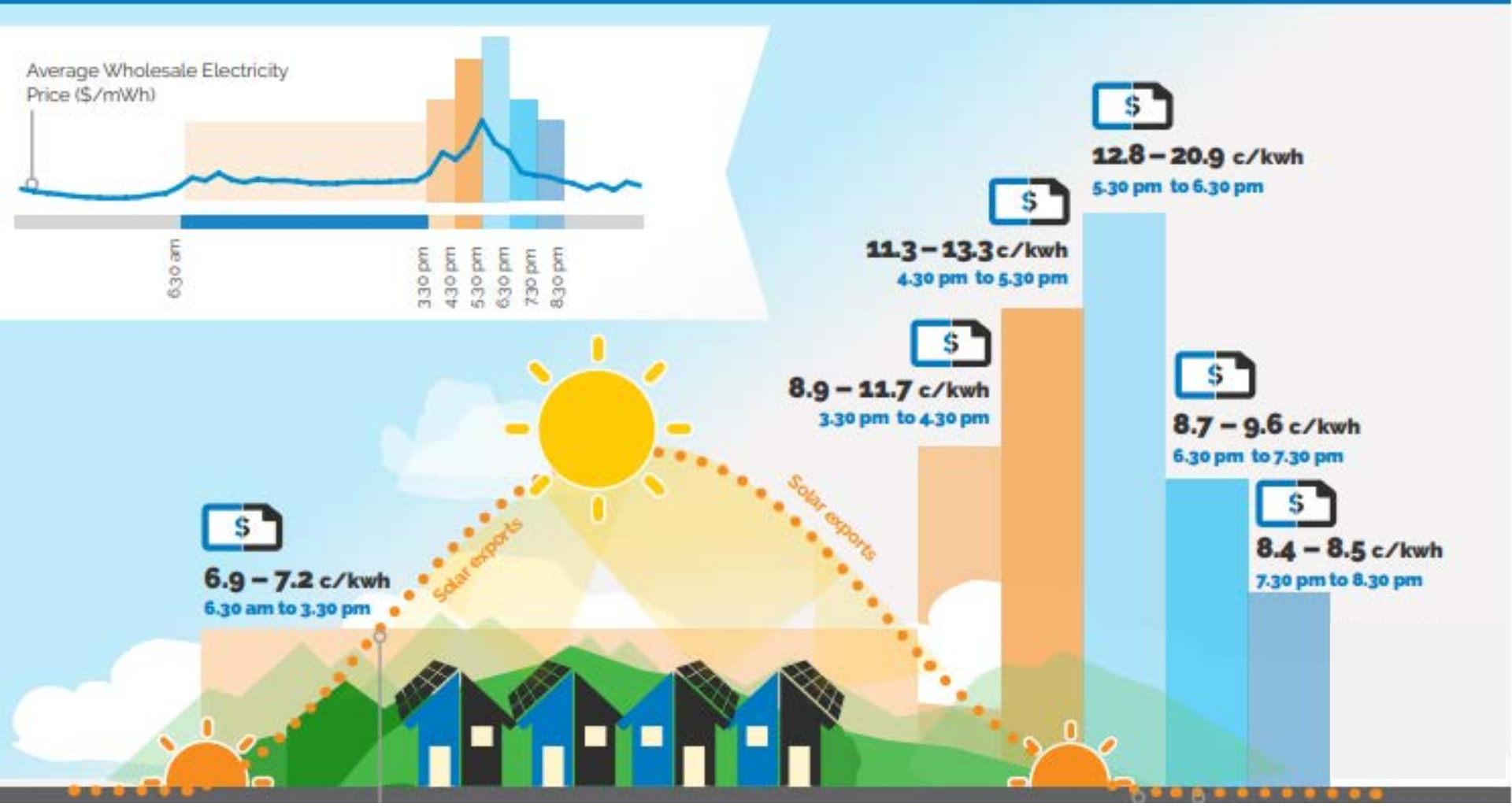


Prices are **no longer spiking in the early afternoon**



Peak prices are occurring **later in the afternoon and evening**

We have set **time-varying benchmarks** to provide information about the **value of exports throughout the day**



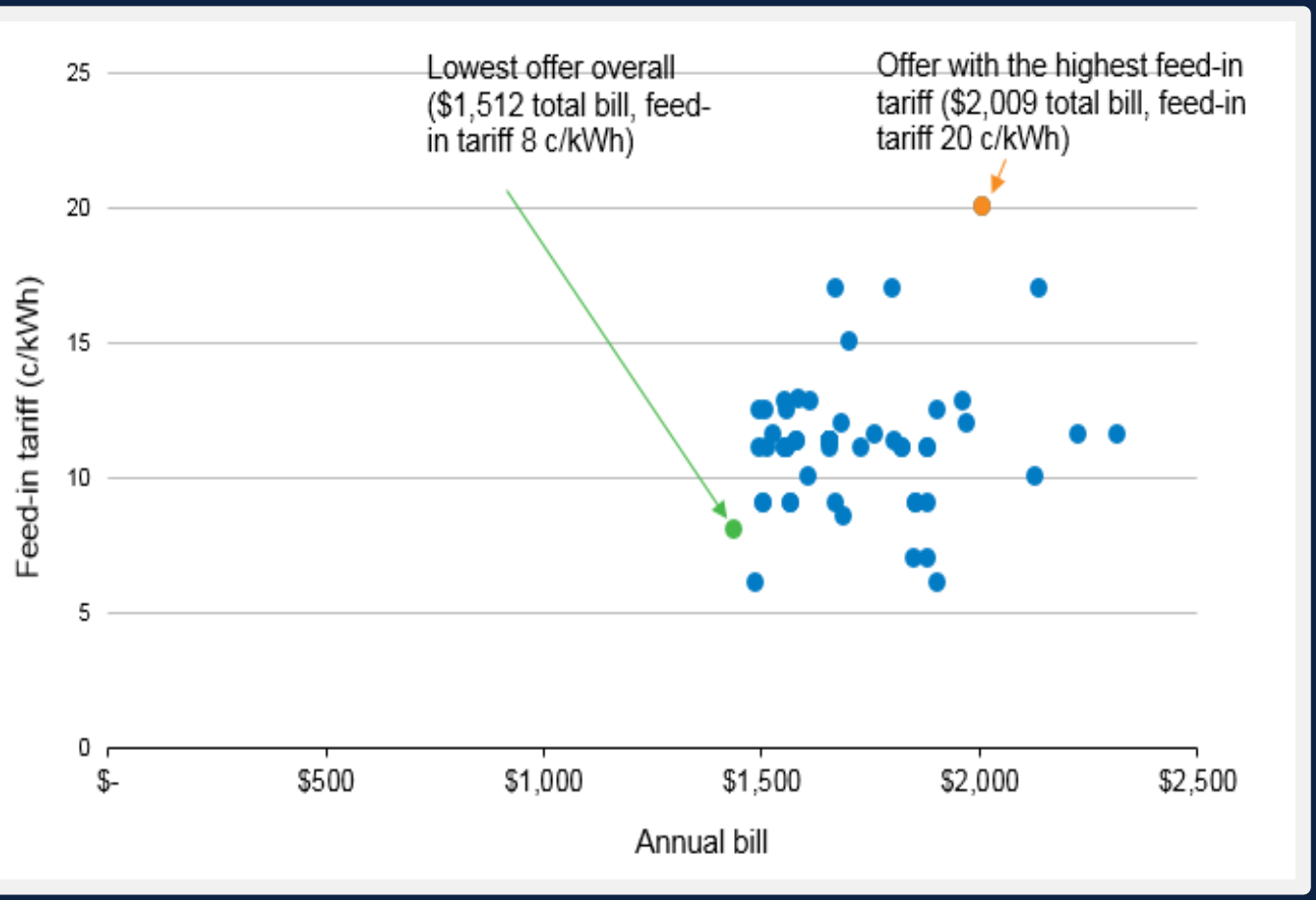
A higher feed-in tariff would lead to **higher bills for all customers**

Feed-in Tariff c/kWh	Additional cost to retailers	Increase in annual household bill
15	$ 58.6m	$ 22
25	$ 136.8m	$ 50
30	$ 175.9m	$ 65

Higher feed-in tariffs would **increase costs for retailers**

All customers currently **pay around $15 on average to subsidise the upfront cost of solar panels,** under the Government's Small Scale Renewable Energy Scheme

A higher feed-in tariff **doesn't necessarily** mean a **lower bill**



We have found **no correlation** between feed-in tariffs and higher or lower bills

Usually, the retail price for the electricity you avoid buying (by using your own solar) is most important

The major saving for solar customers is from **avoiding electricity purchasing at the retail price**