



Gladys Berejiklian MP
Premier of New South Wales

Ref: A2368809

Dr Peter Boxall AO
Chair
Independent Pricing and Regulatory Tribunal
PO Box K35
Haymarket Post Shop NSW 1240

Dear Dr *Peter* Boxall,

I am writing in relation to the voluntary benchmark range for solar feed-in tariffs. The Independent Pricing and Regulatory Tribunal (IPART) has undertaken reviews to recommend a benchmark range each year since 2012.

The Minister for Energy and Utilities, The Hon Don Harwin MLC, has requested IPART's assistance to conduct annual reviews to recommend a solar feed-in tariff benchmark range for the next three years, from 2018-19 to 2020-21.

As required by section 9 of the *Independent Pricing and Regulatory Tribunal Act 1992*, I approve IPART providing this assistance and enclose the terms of reference for the reviews.

Yours faithfully,

Gladys Berejiklian MP
Premier

CC: The Hon Don Harwin MLC, Minister for Energy and Utilities

Encl.

TERMS OF REFERENCE

The investigation and determination by the IPART on annual benchmark range for feed-in tariffs for the next three financial years (FY2018-19, FY2019-20 and FY2020-2021)

Reference to the IPART under section 9 of the Independent Pricing and Regulatory Tribunal Act 1992

With the approval of the Hon. Gladys Berejiklian MP, Premier of NSW and Minister administering the Independent Pricing and Regulatory Tribunal Act 1992 (IPART Act), pursuant to section 9(2) of the IPART Act, the Independent Pricing and Regulatory Tribunal (IPART) will enter into arrangements with the Department of Planning and Environment (the Department), for investigation and report, the determination of:

- The voluntary benchmark range for solar feed-in tariffs paid by retailers for electricity produced by complying generators and supplied to the distribution network.
- Time dependent benchmark ranges paid by retailers for electricity produced by complying generators and supplied to the distribution network during different times of the day.

Conduct of investigation

In conducting this investigation, the IPART is to consider the following key parameters:

- There should be no resulting increase in retail electricity prices; and
- The benchmark range should operate in such a way as to support a competitive electricity market in NSW.

In conducting this investigation, IPART may incorporate;

- Half-hourly solar export data reflecting customers in all three network areas; and
- Forecasted electricity wholesale cost fluctuations instead of historical data.

Reporting

The IPART is to report the feed-in tariff offered by each retailer at the time of writing its report and to note whether that tariff was within the benchmark for the preceding financial year.

Consultation

In making its determination on the benchmark range, IPART may consult on any matter that it regards as material.

Timing

The IPART is to provide its determination by 30 June of each year for the next three years starting from 2018. The Department may amend the Terms of Reference to align with the government policies and to remain relevant in the energy market.

Signed:



Don Harwin MLC
Minister for Energy and Utilities
Date: