

# MEDIA RELEASE

## *Small fall in solar feed-in tariff*



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The minimum amount that solar householders and small businesses receive from electricity retailers for selling excess solar power into the electricity distribution network will reduce slightly next year.

The Essential Services Commission (ESCOSA) has determined a *minimum* retailer feed-in tariff (R-FiT) of 5.3 cents/kWh will apply from 1 January 2015, compared with the current 6 cents/kWh.

This equates to about \$8 a year less for solar customers with a 4kW photovoltaic system and an average consumption profile of around 5,000 kWh.

However, ESCOSA's CEO Adam Wilson said that, while all retailers were required to pay the minimum tariff, some offered higher rates as a part of their offers to solar customers.

The R-FiT is set by ESCOSA under the Electricity Act and is one of two components that make up the total tariff payable to many solar customers. The other is the distributor feed-in tariff of 44 cents/kWh for solar PV systems installed before October 2011 and 16 cents/kWh for installations between then and September 2013. ESCOSA does not set the distributor feed-in tariff.

"While the distributor feed-in tariff is fixed, the R-FiT is reviewed each year and set so as to reflect the forecast wholesale market value of electricity in the coming year," said Mr Wilson. "That value will fall slightly in 2015, as demand for electricity continues to fall."

The Price Determination published today also institutes a regime to monitor retailers' offers to, and competition for, solar customers. The signs of competition for solar customers are encouraging and further monitoring will help determine whether a minimum R-FiT should continue to be set from 2017.

Mr Wilson stressed that the main financial value of photovoltaic systems to most solar customers is reduced electricity bills, not feed-in rebates. As a result, solar customers should consider electricity charges as well as the R-FiT payment when considering electricity retail offers.

He encouraged all consumers to make use of the Australian Energy Regulator's free energy price comparison service online at [www.energymadeeasy.gov.au](http://www.energymadeeasy.gov.au) or by calling 1300 585 165.

FURTHER INFORMATION: All documents associated with ESCOSA's review of the R-FiT can be found at: [www.escosa.sa.gov.au](http://www.escosa.sa.gov.au).

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The Essential Services Commission is the independent economic regulator of essential services in South Australia. The Commission's primary objective is the protection of the long-term interests of South Australian consumers with respect to the price, quality and reliability of essential services.

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