

# MEDIA RELEASE



## *Solar Retailer Feed-in-Tariff draft decision proposes safety net approach*

2 October 2013

ESCOSA has today released a draft price determination, setting a minimum value of 7.6 cents per kWh as the electricity retailer feed-in tariff (R-FiT) to apply from 1 January 2014 through to 31 December 2014. Under the Electricity Act, ESCOSA may set the *minimum* R-FiT which electricity retailers must pay to their residential and small business solar customers.

All electricity retailers are required to pay at least that minimum R-FiT amount for electricity exported into the distribution network, although they may offer higher amounts to customers.

ESCOSA CEO Paul Kerin said: “ESCOSA considered whether it should continue to set a minimum R-FiT amount at all, particularly in light of the SA Government’s deregulation of the overall electricity retail market. Our draft decision proposes that ESCOSA will set a minimum R-FiT for at least one more year, primarily because there is significant uncertainty about how competitive the market for solar customers would be – and therefore whether solar customers would receive fair value for fed-in electricity – in the absence of a minimum R-FiT.

Paul Kerin also advised that: “Our draft decision proposes to set the minimum R-FiT at 7.6c/kWh from 1 January 2014. This is less than the current R-FiT of 9.8c/kWh, for two reasons. First, electricity wholesale cost forecasts have declined significantly. Second, a minimum R-FiT of 7.6c/kWh will give retailers the opportunity to demonstrate how competitive the market for solar customers can be. The draft decision also includes a price monitoring regime. ESCOSA’s monitoring of retailers’ offers to, and competition for, solar customers will inform its subsequent decision as to whether to continue to set a minimum R-FiT”.

Solar customers receive the R-FiT in addition to any distributor feed-in tariff they are eligible to receive ( 44 cents per kWh for pre-October 2011 solar installations, or 16 cents per kWh for solar between October 2011 and the end of September 2013).

ESCOSA has today commenced public consultation on the draft price determination. Submissions are due by 1 November 2013.

A Final Price Determination will be released in December 2013 and will apply for 1 January 2014.

FURTHER INFORMATION: The Review of the Retailer Feed-In Tariff– Draft Price Determination Variation, a summary Fact Sheet and the Issues Paper on the Review of the Retailer Feed-In Tariff can be accessed 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 Essential Services Commission’s primary objective is the protection of the long-term interests of South Australians.

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