

MEDIA RELEASE



Safety net approach imposed for solar Retailer Feed-in-Tariff

17 December 2013

ESCOSA has today published a final price determination, setting a *minimum* value of 7.6 cents/kWh as the retailer feed-in tariff (**R-FiT**) to apply from 1 January 2014.

The Electricity Act provides ESCOSA with the power to set the minimum R-FiT amount which electricity retailers must pay to their residential and small business solar photovoltaic customers (**PV customers**).

All electricity retailers are required to pay at least the *minimum* R-FiT amount for electricity exported into the distribution network.

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. Having examined the available evidence, ESCOSA determined that it is appropriate to set a *minimum* R-FiT amount for at least one more year, primarily because there is uncertainty about how competitive the market for PV customers would be – and therefore whether PV customers would receive fair value for fed-in electricity – in the absence of a *minimum* R-FiT amount.”

Mr Kerin also advised, the new *minimum* R-FiT amount of 7.6 cents/kWh from 1 January 2014 is less than the current minimum R-FiT amount of 9.8 cents/kWh, for two reasons. First, electricity wholesale cost forecasts have declined significantly. Second, a *minimum* R-FiT amount of 7.6 cents/kWh will give retailers the opportunity to demonstrate how competitive the market for solar customers can be while providing PV customers with a safety net.”

Mr Kerin continued, “Our Final Price Determination also implements a price-monitoring regime under which we will monitor retailers’ offers to, and competition for, PV customers to inform our subsequent decision as to whether to continue to set a *minimum* R-FiT amount”.

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

ESCOSA encourages consumers to compare offers from electricity retailers to ensure that they have the most suitable and cost effective service for their needs. The Australian Energy Regulator operates a free energy price comparison service (www.energymadeeasy.gov.au) that allows consumers to compare offers from electricity retailers in South Australia.

FURTHER INFORMATION: All documents associated with ESCOSA’s Review of the R-FiT can be found at: 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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