

MEDIA RELEASE

Solar PV Premium to remain at current levels to 31 December 2013



27 June 2013

ESCOSA has today released a price determination, retaining (until 31 December 2013) the current 9.8 cents kWh electricity solar feed-in tariff premium (FiT Premium) payable by retailers.

All small customers with eligible photo-voltaic (PV) generators are entitled to receive the FiT Premium. The FiT Premium must be paid by retailers *in addition* to the feed in tariff (FiT) of 44 cents per kWh (for pre-October 2011 eligible PV installations) or 16 cents per kWh (for PV installations between October 2011 and the end of September 2013) which is payable by SA Power Networks.

ESCOSA CEO Paul Kerin said “The FiT premium reflects the fair and reasonable value to a retailer of electricity fed into the network by PV generators. All retailers selling electricity to small customers eligible to receive the FiT premium are required to pay at least the 9.8 cents per kWh set by ESCOSA - although they may choose to pay a higher amount.”

Under previous arrangements, the value of the FiT Premium was to increase to 11.2 cents per kWh from 1 July 2013. The decision to retain the current value of 9.8 cents per kWh reflects the reduction in the value of wholesale electricity relative to the value that was forecast in early 2012.

Paul Kerin advised that “It is important to ensure that the FiT premium reflects the current value of feed-in energy. If ESCOSA did not maintain the current 9.8 cents per kWh and allowed the value to rise to 11.2 cents per kWh, energy retailers would be paying an amount higher than the value of that energy. This may have resulted in retailers not competing for solar PV customers and/or recovering those additional costs from other consumers, placing upward pressure on energy prices to all customers.”

ESCOSA has also today released an issues paper to assist its review of the nature of, or need for, future price regulation of the FiT premium.

Paul Kerin said “The reason for reviewing the regulation of the FiT Premium is to assess whether deregulation of the FiT premium should occur in light of the deregulation of energy retail prices in South Australia in February 2013. ESCOSA encourages all interested parties to make a submission to the Issues Paper”.

Submissions on the Review of the Solar Feed in Tariff Premium Issues Paper must be made by 26 July 2013.

FURTHER INFORMATION: The Variation to the 2012 Solar Feed-in Tariff Premium - Price Determination, a summary Fact Sheet and the Issues Paper on the Review of the Solar Feed-in Tariff Premium can be accessed 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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