

Determination of Solar Feed-in Tariff Premium - 1st round stakeholder submission

Attention: Natasha Cheshire

Hi Natasha,

I've been told that you are the person handling submissions from the public re ESCOSA's determination of a new Solar Feed-in Tariff Premium to reflect the fair and reasonable value to a retailer of electricity fed into the network. From this, all retailers selling electricity to customers eligible to receive the feed-in tariff would be required to pay the amount.

I have read ESCOSA's 2010 Review of Electricity Standing Contract Prices – Final Price Determination for the three and a half years from 1 January 2011 to 30 June 2014.

It seems to me that most of the work has already been done to calculate the Wholesale Energy Cost (WEC) applicable to these years. On page A-84 the Commission's Final Decision on WEC for the period January to June 2011 was set at \$112.89/MWh or 11.289 c/kWh. I'm not sure how this was determined, but it seems to be about the average of the Floor and Cap for the Tolerance Band as required by the RPM approach.

The Commission's final Decision on the Tolerance Band Floor and Cap \$/MWh figures for Total WEC costs, for the three years ending June 2014, on pages A-107 and A-108, are as follows:

<u>Total WEC</u>	<u>YE 2012</u>	<u>YE 2013</u>	<u>YE 2014</u>
Floor	\$105.32	\$104.16	\$103.98
Cap	\$121.92	\$124.08	\$127.76
Average	\$113.62	\$114.12	\$115.87

These figures are in December 10 dollars and would need to be adjusted in line with Adelaide All Groups CPI increases.

I have calculated the averages of these tolerance bands (see above), and I believe that these are the "fair and reasonable value" amounts that retailers should be paying customers for electricity fed back into the network grid from their solar systems.

From my readings of ESCOSA material, I believe that the initial Standing Contract Prices and the Tolerance Bands shown above need to be adjusted annually under the RPM methodology.

Thanks for your consideration.

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