

## REGULATED FEED-IN TARIFF RATE INVESTIGATION DRAFT REPORT 2019

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Tasmania's independent Economic Regulator today released a Draft Report in relation to the 2019 Regulated Feed-in Tariff Rate Determination Investigation.

The Report sets out the Economic Regulator's proposed approach to determining the regulated feed-in tariff rate for small-scale distributed generation (such as solar PV) for each of the 2019-20 and 2020-21 financial years.

Tasmanian electricity customers with an electricity generating system connected to the distribution network are also able to make savings by generating and consuming their own electricity. Any amount of electricity that is not consumed by them is fed into the network and customers are paid a feed-in tariff by their retailer.

The Report sets out the matters the Economic Regulator will consider in making a determination on the feed-in tariff rate. Broadly, the Report proposes maintaining the previous approach to determining the components of the regulated feed-in tariff rate. This would result in a feed-in tariff which reflects the wholesale price which is the price that other generators receive when they feed electricity into the network plus a few other adjustments. This reflects the net financial benefit that retailers receive by purchasing electricity from feed-in tariff customers compared to purchasing electricity from other generators. There is nothing to prevent a retailer paying more than the regulated feed-in tariff rate to its customers.

The cost components in the Economic Regulator's proposed calculation of the feed-in tariff rate include wholesale energy costs, adjustments for network losses, and any ancillary charges or market fees the retailer would otherwise incur. In relation to the calculation of the wholesale component of the feed-in tariff rate, the Regulator proposes using the regulated wholesale electricity price (WEP) unless the Treasurer declares a WEP Order price, in which case that is the proposed wholesale price.

At the Tasmanian Government's request, the Economic Regulator's Draft Report also examines issues around the potential introduction of a time-varying feed-in tariff in Tasmania. The Economic Regulator stated "I have outlined the approach to assessing the merits of a introducing a time-varying feed-in tariff in Tasmania, including consideration of the potential benefits and costs to both the network and to customers."

He added "the Tasmanian electricity network has characteristics that are unique compared to other networks across Australia, so it is important to fully consider the desired objectives of a time-varying feed-in tariff and whether it would provide net benefits to Tasmania. This is a very complex issue where the potential impacts are not yet clear. I am therefore seeking input from interested parties on a range of matters that I will consider when assessing the feasibility and effectiveness of introducing a time-varying feed-in tariff for Tasmania."

The Economic Regulator invites written comment on the Draft Report and encourages all interested parties to provide submissions addressing the matters discussed. Submissions and enquiries may be made by email to [office@economicregulator.tas.gov.au](mailto:office@economicregulator.tas.gov.au). The submission period will close on 30 April 2019. The Final Report and Determination will be made by 30 May 2019. The 2019-20 feed-in tariff rate to apply from 1 July 2019 will be calculated in mid-June 2019.

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The Draft Investigation Report is available at:

[www.economicregulator.tas.gov.au](http://www.economicregulator.tas.gov.au)

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