

## REGULATED FEED-IN TARIFF RATE 2022 INVESTIGATION FINAL REPORT AND DETERMINATION

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The minimum electricity feed-in tariff rate for Tasmanian energy consumers is expected to increase from 1 July 2022.

The Tasmanian Economic Regulator has made its Determination and released its Final Report on the minimum feed-in tariff rate that retailers on mainland Tasmania must pay customers for the electricity they export to the grid. The feed-in tariff rate for 2022-23 is provisionally estimated to be around 7.2 cents per kilowatt hour, up from 6.501 cents in 2021-22. The final rate will be determined in mid-June 2022.

The feed-in tariff rate Determination applies for the three year period from 1 July 2022 to 30 June 2025.

The Regulator, Joe Dimasi said “customers with solar photovoltaic (PV) panels and other eligible systems exporting power to the grid are essentially acting as small-scale electricity generators. Like other electricity generators operating in the wholesale energy market, the value of the power they export is closely related to the Tasmanian wholesale electricity price.”

The feed-in tariff rate is marginally higher than wholesale electricity price as it includes adjustments for other costs like fees and charges levied on retailers by the Australian Energy Market Operator and the value of avoided network losses associated with electricity travelling shorter distances.

Mr Dimasi noted that feed-in tariff customers save money when they use the electricity they generate. “Electricity bills do not show the savings from consuming electricity from solar PV or even how much of your own energy is being consumed. The feed-in tariff applies only to electricity that is exported, which is typically around 30 per cent only of total electricity generated by household solar PV systems. Therefore, the main gains from solar PV are through self-consumption.” he said.

Mr Dimasi said that the method to determine the feed-in tariff rate ensures that customers with solar PV systems receive a price for the electricity they export to the grid which reflects the value of that electricity to retailers. “Retailers incur a range of costs in addition to purchasing electricity, such as network costs, which they recover in their prices. This is why the retail price of electricity is higher than the feed-in tariff rate. If retailers were required to pay more for solar exports than they pay for wholesale electricity, retail prices for all customers would need to be higher to recover the difference.”

For 2023-24 and 2024-25, the minimum feed-in tariff rate will be calculated in mid-June of the previous financial year.

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The Final Report is available at:  
[www.economicregulator.tas.gov.au](http://www.economicregulator.tas.gov.au)  
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