



Media Release  
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## **FEED-IN-TARIFF RATE INVESTIGATION**

The Tasmanian Economic Regulator has released its Final Report and Determination in relation to its investigation to determine the Feed-in-Tariff (FiT) payable to Tasmanian residential and small business customers. The FiT is payable for excess electricity generated by eligible renewable generation systems (mostly solar photo voltaic systems) which is exported to the Tasmanian electricity network.

Based on the FiT Rate methodology and the information available at the time of publishing its Final Report, the Regulator has calculated an indicative FiT rate of 6.639 c/kWh for 2016-17. This rate is higher than the rate applying for 2015-16 due to an increase in the wholesale electricity price (WEP) which is the major component of the FiT rate. The WEP used to calculate the FiT rate is heavily influenced by the Victorian wholesale contract price and is unaffected by the current energy situation in Tasmania.

After considering the issues raised in submissions, the Regulator has adopted a similar methodology as it did for the 2013 FiT Rate Determination. This approach is also similar to the approach taken by regulators in other jurisdictions when determining FiT rates. The Regulator's Statement of Reasons discusses the issues raised in submissions and explains the Regulator's decision on each issue.

A number of submissions on the Regulator's Draft Report recommended that the FiT rate should account for avoided distribution and transmission costs and for the benefits associated with emerging technologies such as battery storage.

The Tasmanian Economic Regulator, Mr Joe Dimasi noted that "...while I am keeping an open mind about accounting for these benefits in the regulated FiT rate, after considering these arguments and the approach in other jurisdictions I have decided to continue to monitor these developments at this time."

Mr Dimasi also noted that "In any case, it is not clear that taking these additional matters into account would change the outcomes for this period. However, these matters may become more significant in future FiT rate determinations."

Several other submissions raised issues that were either outside the scope of the Regulator's investigation (such as the energy security, employment, social and environmental benefits provided by embedded generators) or suggested legislative changes.

The Regulator will publish the Regulated FiT Rate applying from 1 July 2016 in mid-June 2016 at the same time as it approves Aurora Energy's standing offer prices for 2016-17.

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Copies of the Final Report, Determination  
and Statement of Reasons are available at:

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

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