



**Regulated Feed-In Tariff Rate  
For Standard Feed-In Tariff Customers**

**Draft Determination**

**February 2016**

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The Tasmanian Economic Regulator –

- (a) having conducted an investigation under Regulation 47B of the *Electricity Supply Industry (Pricing and Related Matters) Regulations 2013*; and
- (b) having considered the principles outlined in section 44H of the *Electricity Supply Industry Act 1995*,

makes the following Determination under section 44G(1) of the *Electricity Supply Industry Act 1995*.

Dated: 5 February 2016

Joe Dimasi

**TASMANIAN ECONOMIC REGULATOR**

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## **PART 1 – PRELIMINARY**

### **Commencement date, effective date and expiry date**

1. In accordance with Regulation 47E(3) of the *Electricity Supply Industry (Pricing and Related Matters) Regulations 2013*, this Determination takes effect on 1 July 2016 and remains in effect until 30 June 2019.

### **Interpretation**

2. (a) Words have the same meaning as defined in this determination. Expressions not defined in this determination have the same meaning as they have in the *Electricity Supply Industry (Pricing and Related Matters) Regulations 2013* and the *Electricity Supply Industry Act 1995*.

(b) In this Determination –

**2016 Standing Offer Determination (Aurora Energy)** means the Aurora Energy Pty Ltd Price-Regulated Retail Service Price Determination, issued on 5 February 2016 as amended from time to time;

**“AEMO”** means the Australian Energy Market Operator ABN 94 072 010 327;

**“annual standing offer price approval process”** has the same meaning as it has in the 2016 Standing Offer Determination (Aurora Energy);

**“Aurora Energy”** means Aurora Energy Pty Ltd ABN 85 082 464 622 and its successors;

**“authorised retailer”** has the same meaning as it has in the *Electricity Supply Industry Act 1995*;

**“c/kWh”** means cents per kWh;

**“DLF”** means distribution loss factor;

**“feed-in tariff rate”** has the same meaning as it has in the *Electricity Supply Industry Act 1995*;

**“kWh”** means a kilowatt-hour, the amount of energy used at a constant rate of one kilowatt for one hour (one kilowatt-hour is equivalent to 1 000 watt hours);

**“MLF”** means marginal loss factor;

**“Period 1”** has the same meaning as it has in the 2016 Standing Offer Determination (Aurora Energy);

**“Period 2”** has the same meaning as it has in the 2016 Standing Offer Determination (Aurora Energy);

**“Period 3”** has the same meaning as it has in the 2016 Standing Offer Determination (Aurora Energy);

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**“Regulator”** has the same meaning as it has in the *Electricity Supply Industry Act 1995*;

**“standard feed-in tariff customer”** has the same meaning as it has in the *Electricity Supply Industry Act 1995*;

**“wholesale electricity price”** has the same meaning as it has in the 2016 Standing Offer Determination (Aurora Energy).

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## **PART 2 – REGULATED FEED-IN TARIFF RATE**

### **Method for determining a feed-in tariff rate in relation to a kilowatt hour**

3. The feed-in tariff rate to be paid by an authorised retailer to a standard feed-in tariff customer during the term of this Determination is to be calculated in accordance with the method outlined in clause 4.
4. For the purposes of clause 3, the minimum feed-in tariff for Period 1, Period 2 and Period 3 is to be calculated in accordance with the following formula:

$$FIT_y = (WEP_y \times MLF_y \times DLF_y) + AEMO_y$$

Where:

***FIT<sub>y</sub>*** is the regulated feed-in tariff rate in c/kWh to be paid to standard feed-in tariff customers.

***y*** is the relevant period (ie Period 1, Period 2 and Period 3).

***WEP<sub>y</sub>*** is the wholesale electricity price calculated by the Economic Regulator in accordance with the 2016 Standing Offer Determination (Aurora Energy), during the annual standing offer price approval process, expressed in c/kWh.

***MLF<sub>y</sub>*** means the load weighted average marginal loss factor at the regional reference node for Tasmania for the relevant period as approved by the Economic Regulator in accordance with the 2016 Standing Offer Determination (Aurora Energy) during the annual standing offer price approval process.

***DLF<sub>y</sub>*** means the load weighted average distribution loss factor for the relevant period as approved by the Economic Regulator in accordance with the 2016 Standing Offer Determination (Aurora Energy) during the annual standing offer price approval process.

***AEMO<sub>y</sub>*** means the forecast charge, as billed by AEMO for market participant and ancillary services fees estimated by the Economic Regulator in accordance with the 2016 Standing Offer Determination (Aurora Energy), during the annual standing offer price approval process, expressed in c/kWh.

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***PART 3 – MISCELLANEOUS PROVISIONS***

5. The Regulator's decision in respect of all matters to do with the Determination will be final and no correspondence will be entered into.
  6. This Determination is administered by the Regulator.
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