



The Hon Chris Hartcher

Minister for Resources and Energy Special Minister of State Minister for the Central Coast

MEDIA RELEASE

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NSW GOVERNMENT URGES RETAILERS TO IMPLEMENT FAIR PRICE FOR SOLAR

Energy Minister Chris Hartcher is calling on NSW retailers to offer solar customers the Independent Pricing and Regulatory Tribunal's (IPART) recommended tariff following the release of IPART's draft report on options for a fair price for solar electricity fed back into the grid.

The draft report finds that once the significant costs of delivering a reliable and secure electricity supply and retail services to households are taken into account, the actual value of the electricity fed back to the grid is **8 to 10 cents** per kilowatt hour.

IPART proposes that this rate will be updated annually and will increase with the introduction of the carbon tax.

Mr Hartcher has written to all retailers strongly urging them to consider offering IPART's recommended feed-in-tariff as soon as practicable.

"Net metering is an incredibly valuable option for households looking to reduce their power bills. I encourage customers considering installing solar panels to install net metering to maximise their bill savings," Mr Hartcher said.

"I have repeatedly stated that any future feed-in tariff rate must not result in any increase in electricity prices nor result in any additional funding from the State Budget.

"Less than 5% of NSW electricity customers are participating in the Solar Bonus Scheme, yet the blown out costs of the Scheme are imposed on all NSW consumers.

"IPART's draft determination ensures that customers without solar are not footing the bill for generous subsidies to customers with solar."

Mr Hartcher said the NSW Government remains committed to delivering sustained progress for renewables but will not sit back and allow another green scheme to cause electricity bill blow outs.

"This is why we took the responsible decision to commission this detailed review and consultation process following the Solar and Renewable Energy Summit. A key

criterion for this work was that there should be no resulting increase in electricity prices.”

Since the closure of the Solar Bonus Scheme in April, around 20,000 customers have applied to connect solar panels to the grid.

“We have seen over 870 customers apply in the last reporting fortnight to install solar in the absence of any mandated feed in tariff,” Mr Hartcher said.

“That’s a terrific result that shows customers are taking into account the long term benefits, including savings on electricity bills with net metering, when they are deciding whether or not to invest in solar panels.”

IPART has also recommended that retailers contribute to the costs of the Solar Bonus Scheme which may affect the 6 to 8 cents per kilowatt hour premiums paid by some retailers to customers participating in the Scheme.

“The NSW Government is giving serious consideration to this option to reduce the cost imposition placed upon non-participating households,” Mr Hartcher said.

“This would potentially save up to 15% of the future scheme costs and will offset some of the increases in electricity prices to be paid by all electricity customers.”

IPART will hold a public forum on 12 December 2011 and is inviting submissions by 23 January 2012.

A copy of the Draft Report is available at www.ipart.nsw.gov.au