

MEDIA RELEASE

QCA recommends regional QLD solar feed-in tariff

The Queensland Competition Authority (QCA) released today its final report into a mandatory solar feed-in tariff for customers in regional Queensland.

“The State Government has asked the QCA to recommend a suitable feed-in tariff rate for 2014–15 for customers in regional Queensland. The new tariff will replace the 8 cents a kilowatt hour tariff offered by the Solar Bonus scheme,” said QCA chairman Malcolm Roberts.

“As there is very little retailer competition in regional Queensland, Ergon Retail will be required to pay eligible customers the recommended feed-in tariff rate in 2014–15.

“In March 2013, the QCA released a report explaining its approach to calculating the fair and reasonable value of solar feed-in tariffs. The QCA believes that feed-in tariff rates should reflect the value of the energy exported to the grid. Retailers avoid some costs when on-selling this energy to customers: a fair feed-in tariff should be equal to these costs. Setting feed-in tariffs above this level would impose higher costs on other customers,” said Malcolm Roberts.

“In March this year, the QCA released a draft report on a feed-in tariff rate for regional Queensland. This report calculated that a fair and reasonable value for electricity exported into the grid from solar panels would be 8.78 cents per kilowatt hour. The report released today updates this calculation to take into account higher estimates for wholesale electricity costs and energy losses over the distribution network.

“For 2014–15, the QCA is recommending a feed-in tariff for regional customers of 9.07 cents per kilowatt hour while the carbon tax is in place. If the carbon tax is repealed, the value of the electricity exported into the grid from solar panels would fall to 6.53 cents.

“Customers receiving the 44 cents per kilowatt hour feed-in tariff under the Solar Bonus Scheme will not be affected by the new tariff. That tariff will continue under the Solar Bonus scheme until 2028–29,” said Malcolm Roberts.

Customers in south east Queensland (those on the Energex distribution network) already have a choice of feed-in tariffs offered by competing retailers. To help customers find the best deal, retailers' feed-in tariff rates will soon be published on the QCA's price comparator website: www.qca.org.au

Retailers will also be required to include details of their feed-in tariff offers on their pricing fact sheets.

More information on the Solar Bonus Scheme is available from the Department of Energy and Water Supply website <http://www.dews.qld.gov.au/energy-water-home/electricity/solar-bonus-scheme>