

Solar feed-in tariffs

Retailer contributions and benchmark range
from 15 November 2015

Energy — Draft Determination
August 2015



Independent Pricing and Regulatory Tribunal

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Retailer contribution and benchmark range
from 15 November 2015

Draft Determination No. 2, 2015

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Preliminary

1 Background

- (a) Under section 43ECA of the *Electricity Supply Act 1995* (NSW) (**ESA**), the Minister may refer to the Independent Pricing and Regulatory Tribunal (**IPART**), for investigation and report, the determination of:
 - (1) the retailer benefit component payable by a Retailer to a customer under the Solar Bonus Scheme for Solar PV Exports (**Retailer Contribution**); and
 - (2) the benchmark range for feed-in tariffs paid by Retailer for Solar PV Exports (**Benchmark Range**)¹.
- (b) On 3 June 2015, IPART received a referral (**Referral**) from the Minister for Industry, Resources and Energy to investigate and determine:
 - (1) the Retailer Contribution on an interim basis, from 1 July 2015 until replaced (**Interim Determination**); and
 - (2) the Retailer Contribution and the Benchmark Range from the date of a subsequent determination until 31 December 2016, or until replaced.
- (c) On 15 June 2015, IPART issued the Interim Determination (Determination No. 1, 2015).

2 Application of this determination

- (a) This determination commences on the later of:
 - (1) 15 November 2015; and
 - (2) the date that it is published in the NSW Government Gazette, (**Commencement Date**).
- (b) This determination applies from the Commencement Date until the earlier of:
 - (1) 31 December 2016; and
 - (2) the date this determination is replaced, (**Determination Period**).
- (c) This determination:
 - (1) is made pursuant to the Referral; and
 - (2) determines:
 - (A) the Retailer Contribution; and
 - (B) the Benchmark Range.

¹ The Benchmark Range is not binding on Retailers. It is a voluntary range published by IPART to provide information to solar PV customers and Retailers.

3 Replacement of Interim Determination (Determination No. 1, 2015)

This determination replaces the Interim Determination (Determination No. 1, 2015) from the Commencement Date.

4 Approach to determining the Retailer Contribution and Benchmark Range

In making this determination, IPART has had regard to:

- (a) the financial benefit to Retailers as a result of the supply of electricity by customers under the Solar Bonus Scheme;
- (b) the matters it is required to consider under the Referral; and
- (c) the effect of the determination on competition in the retail electricity market, as required by section 43ECB of the ESA.

5 Schedules

- (a) Schedule 1 sets out the Retailer Contribution.
- (b) Schedule 2 sets out the Benchmark Range.
- (c) Schedule 3 sets out the definitions and the interpretation provisions.

Schedule 1 Retailer Contribution

1 Application

This schedule sets out the Retailer Contribution for the Determination Period (or until schedule 1 of this determination is replaced).

2 Retailer Contribution

The Retailer Contribution for the Determination Period is 4.9¢/kWh.

Schedule 2 Benchmark Range

1 Application

This schedule sets out the Benchmark Range for the Determination Period (or until schedule 2 of this determination is replaced)².

2 Benchmark Range

The Benchmark Range is 4.4¢/kWh to 5.8¢/kWh.

² IPART intends to publish a replacement Benchmark Range in around May 2016.

Schedule 3 Definitions and interpretation

1 Definitions

1.1 General provisions

In this determination:

Benchmark Range has the meaning given in clause 1(a)(2) of the Preliminary section of this determination.

Commencement Date has the meaning given in clause 2(a) of the Preliminary section of this determination.

Determination Period has the meaning given in clause 2(b) of the Preliminary section of this determination.

ESA has the meaning given in clause 1(a) of the Preliminary section of this determination, being the *Electricity Supply Act 1995* (NSW).

GST has the meaning given in *A New Tax System (Goods and Services Tax) Act 1999* (Cth).

IPART has the meaning given in clause 1(a) of the Preliminary section of this determination, being the Independent Pricing and Regulatory Tribunal of New South Wales established under the *Independent Pricing and Regulatory Tribunal Act 1992* (NSW).

kWh means kilowatt hours.

National Energy Retail Law means the National Energy Retail Law set out in the schedule in the *National Energy Retail Law (South Australia) Act 2011* (SA), as amended and applied in New South Wales by the *National Energy Retail Law (Adoption) Act 2012* (NSW).

Referral has the meaning given in clause 1(b) of the Preliminary section of this determination.

Retailer has the meaning given in the National Energy Retail Law.

Retailer Contribution has the meaning given in clause 1(a)(1) of the Preliminary section of this determination.

Solar Bonus Scheme means the scheme established under section 15A of the ESA.

Solar PV Exports means electricity produced by a complying generator (as defined in section 15A of the ESA) and supplied to the distribution network by a customer under the Solar Bonus Scheme.

Taxable Supply has the meaning given in the *A New Tax System (Goods and Services Tax) Act 1999* (Cth).

2 Interpretation

In this determination:

- (a) headings are for convenience only and do not affect the interpretation of this determination;
- (b) a reference to a schedule, annexure, clause or table is a reference to a schedule or annexure to, clause of, or table in, this determination unless otherwise indicated;
- (c) words importing the singular include the plural and vice versa;
- (d) a reference to a law or statute includes regulations, rules, codes and other instruments under it and consolidations, amendments, re-enactments or replacements of them;
- (e) where provisions of legislation referred to in this determination are renumbered, a reference to a legislative provision extends to the corresponding re-numbered provision of the legislation;
- (f) where a word is defined, other grammatical forms of that word have a corresponding meaning;
- (g) a reference to a day is to a calendar day;
- (h) a reference to a person:
 - (1) includes any company, partnership, joint venture, association, corporation, other body corporate or government agency; and
 - (2) includes a reference to the person's executors, administrators, successors, substitutes (including, but not limited to, persons taking by novation), replacements and assigns; and
- (i) a reference to an officer includes a reference to the officer which replaces it or which substantially succeeds to its powers or functions; and
- (j) a reference to a body, whether statutory or not:
 - (1) which ceases to exist; or
 - (2) whose powers or functions are transferred to another body,

is a reference to the body which replaces it or which substantially succeeds to its powers or functions.

3 Clarification notice

IPART may publish a clarification notice in the NSW Government Gazette to correct any manifest error in this determination. Such a clarification notice is taken to form part of this determination.

4 Prices exclusive of GST

Prices or charges specified in this determination do not include GST. A Retailer may charge customers an additional amount equal to GST payable by the Retailer in respect of any Taxable Supply to which the amounts relate.

