

16 June 2017



WHAT

IPART's benchmark range for solar feed-in tariffs in 2017-18 is **11.9 to 15.0 cents per kilowatt hour (c/kWh)**.¹



WHY

Each year IPART updates the recommended benchmark range for solar feed-in tariffs to take account of the latest market conditions. The value of exported solar electricity depends mainly on how much retailers save from buying wholesale electricity in the market. This means solar feed-in tariffs will go up and down with changes in the wholesale electricity price.



WHO

Our recommended benchmark range for solar feed-in tariffs is a guide for electricity retailers and residential and small business customers in NSW who have, or are planning to install, solar panels.



HOW

To make our recommendation, we estimated the value that electricity retailers receive when solar customers export electricity to the grid from their small-scale solar unit.

The three components that make up this value include:

- ▼ the amount that exported solar electricity would earn if it were sold on the wholesale electricity market at the time it was exported (retailers avoid paying for this)
- ▼ an amount to reflect the benefit of exported electricity being located close to where it is used (normally some electricity is lost as it flows long distances over the transmission and distribution network)
- ▼ an amount for the market fees and charges that retailers avoid paying for on exported solar electricity.

The benchmark range has increased substantially since last year (5.5 to 7.2 c/kWh) due mainly to higher forecast wholesale electricity prices in 2017-18. It is also slightly higher than our Draft Recommendation (11.6 to 14.6 c/kWh).

More information, including our responses to submissions on our Draft Recommendation, is provided in our Final Report available on our website, www.ipart.nsw.gov.au.



WHAT NEXT

Retailers normally update their energy offers in July. We recommend electricity customers shop around for a better deal using the Australian Government's website (www.energymadeeasy.gov.au).

The offer with the highest feed-in tariff isn't necessarily the best deal overall. Solar customers should consider all aspects of an energy offer, including usage and fixed charges, feed-in tariffs and other terms and conditions.

¹ The benchmark range does not include GST.