

# Fact Sheet - Final decision on solar feed-in tariffs 2015-16



15 October 2015

## WHAT

This Fact Sheet summarises IPART's final decision on the 'benchmark range' for solar feed-in tariffs in 2015-16.

Our final decision is that the benchmark range in 2015-16 is **4.7 to 6.1 cents per kilowatt hour** (c/kWh).

## WHY

The NSW Government has asked IPART to recommend a benchmark range for solar feed-in tariffs as a guide for households and small businesses with solar photovoltaic units (PV customers).

## WHO

The benchmark range is a guide for PV customers who **are not** receiving subsidised feed-in tariffs (either 20c or 60c per kilowatt hour) under the NSW Solar Bonus Scheme.

PV customers who are not part of this scheme may receive an unsubsidised feed-in tariff as part of a retailer's electricity market offer. The benchmark range is only a guide – retailers are able to decide whether they will offer feed-in tariffs and how much to offer.

## HOW

Our final decision on the benchmark range is based on our estimate of the subsidy-free value of PV exports to an electricity retailer in 2015-16.

The largest value that PV exports provide to a retailer is the avoided cost of purchasing electricity in the wholesale market. We undertook modelling to estimate this value in 2015-16.

Our final decision for 2015-16 is higher than our draft decision in August 2015 due to an increase in the forecast wholesale electricity spot price for 2015-16.

However, our final decision for 2015-16 is lower than in previous years because recently wholesale electricity prices have been relatively low and the outlook for 2015-16 is that they will continue to be relatively low.

Also, our final decision on the benchmark range is lower than the retail price of electricity. See Box 1 for more information.

## WHERE

The benchmark range is a guide for PV customers located in New South Wales.

## WHAT NEXT

More information on our final decision is provided in our Final Report which is available on our website, [www.ipart.nsw.gov.au](http://www.ipart.nsw.gov.au).

We recommend that customers shop around for the best overall electricity deal including electricity prices, solar feed-in tariffs and other fees and charges.

The Australian Government's website, [www.energymadeeasy.gov.au](http://www.energymadeeasy.gov.au) is a good place to start.

**Box 1 Why is the solar feed-in tariff less than the retail price of electricity?**

