



Tasmanian Renewable Energy Alliance MEDIA RELEASE

FOR IMMEDIATE RELEASE

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33% Solar tariff drop highlights flawed approach of the Economic Regulator

The Tasmanian Economic Regulator has dropped the feed-in tariff (FiT) for solar customers who signed up after 30 August 2013 from 8.282c to 5.551c effective from 1 July 2014. This 33% reduction highlights the unfairness of the methodology used by the Economic Regulator to calculate the benefits of exported solar electricity.

Solar owners are being paid less than 6c for electricity that is then resold by Aurora to their neighbours for 24.7c. Tasmania's solar tariff is now the lowest of any state in Australia that sets a state level tariff.¹

"Solar owners who export electricity should be fairly rewarded for generating electricity close to the point of use and avoiding the need for infrastructure that makes up nearly half the cost of electricity." said TREA President Rob Manson.

Solar remains a good investment for customers who can use most of the power they generate at the time they use it.

TREA urges the Energy Minister Matthew Groom to instigate a review of the way the FiT is calculated. TREA will be arguing to the Minister that the review needs to look at the benefit of locally generated electricity to the whole electricity system and all Tasmanian consumers, not just the narrow focus on 'the net financial benefit to retailers' that is the basis of the current determination.

We met with Minister Groom this week and offered to work together to identify innovative ways to reduce the costs to all consumers. We are offering to work with the Minister and the new network business TasNetworks on solutions that combine solar, wind, hydro, demand management and local storage to increase local self-sufficiency and avoid the need for expensive upgrades to the distribution network.

"Underpaying owners who export power is not in the best interests of the electricity network. With the dropping costs of battery storage, homeowners who can invest in solar will be tempted to disconnect from the grid altogether, rather than contributing to the cost of the grid that benefits all customers." said Mr Manson.

"By working together we can reduce costs and build Tasmania's growing international reputation for innovative use of clean green technologies." said Mr Manson.

Media comment:

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¹ State mandated tariffs are: [SA](#) 7.6c, [Regional Qld](#) 9.07c, [Vic](#) 8c, [NT](#) 27.13c. The ACT, NSW, WA and SE Qld do not set solar tariffs.