



**TASMANIAN RENEWABLE
ENERGY ALLIANCE**



SolarCitizens

FOR IMMEDIATE RELEASE

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MEDIA RELEASE

New research: Price for rooftop solar massively undervalued in Tasmania

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Newly released research by TREA and Solar Citizens shows that power generated from household solar in Tasmania is worth more double the current price, holding back an industry that could bolster energy resilience. The analysis of electricity generation, network, health and climate benefits shows solar is worth between 17 and 22c/kWh.

TREA and Solar Citizens have called on Minister for Energy, Matthew Groom to step in and set a fair price for solar.

“A fair price for solar would give Tasmania’s solar industry the boost it desperately needs and would lift jobs, improve energy resilience, provide a fair rate of return and create clean, healthy communities, said Claire O’Rourke, National Director with Solar Citizens.

“The current price paid to solar households is simply unfair, and it’s holding back Tasmania’s solar industry. Currently, solar households receive 6.1c for exported solar. At the same time, grid electricity costs 25c whilst Hydro Tasmania is generating electricity from gas and diesel, sometimes at a cost of between 17 and 30c”, said Jack Gilding, Executive Officer of the Tasmanian Renewable Energy Alliance.

The new research follows a report released recently by Tasmania’s Economic Regulator that failed to see the benefits of solar energy in boosting the State’s employment and energy security. The Regulator has recommended a 6.6c (+GST) feed-in tariff but acknowledged that it failed to take into account network benefits as well as jobs, energy security and environmental benefits.

In stark contrast, the Victorian Essential Services Commission has recently released a report arguing that the price for exported solar should be increased to account for environmental benefits and benefits brought to the grid.

Matthew Groom is the Minister for Energy, the Minister for State Growth, and the Minister for Environment. He is responsible for energy security, jobs and reducing the environmental damage from fossil fuels.

“The Regulator proposes exactly the same formula as it used three years ago, despite the urgent challenges facing Tasmania energy security and the globally agreed need to rapidly phase out fossil fuels.” said Mr Gilding.

“Tasmanians need their government to see the big picture and take decisive action on supporting renewable energy. Burning diesel and gas, praying for rain and importing dirty Victorian electricity is not an acceptable response to Tasmania’s energy situation.”

Solar Citizens and TREA call on Matthew Groom and the Premier Will Hodgman to intervene now before the Regulator publishes a final rate for 2016-2017 that is far below the true value solar PV delivers to Tasmania.

Media comment:

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A full copy of the report and the graphic below can be found at: www.tasrenew.org.au/fit

What is a fair price for solar in Tasmania?

	Tas Regulator	Our estimate of value		Assumptions and notes
	c/kWh	min c/kWh	max c/kWh	
Savings to retailers				
 Wholesale price of electricity	6.2	6	8	These are the only benefits recognised by the Economic Regulator.
Avoided network losses	0.3	0.1	0.1	
NEM fees	0.1	0.1	0.1	
Benefits to the electricity system				
 Avoided transmission costs	0.0	3.7	3.7	Transmission costs contribute 15% to a typical residential bill. 15% of 25c=3.7c
 Reduced distribution costs	0.0	4	6	Distribution costs contribute 41% to a typical residential bill. Half of this cost equals 5c.
Benefits to society and the environment				
 Reduced CO ₂ emissions	0	2.4	3.1	Based on a carbon price of \$24-\$31/tonne. A significantly higher price may be needed to meet 1.5°C goal.
 Health benefits	0	1.3	1.3	From solar PV that displaces coal fired electricity.
TOTAL	6.6	17.6	22.3	