

Mr Paul Baxter
Senior Commissioner
Independent Competition and Regulatory Commission
GPO Box 296
Canberra ACT 2601

Dear Mr Baxter

Draft Report – Report No 1 of 2010
Electricity Feed-in Premium Rate Determination: Determination of Premium Rate

Thank you for your letter dated 4 February 2010 inviting ACAT to comment on the above Draft Report.

ACAT strongly supports the Conclusions recorded at 6.44 and 7.3 of the Draft Report; namely:

- i. the recommendation of a premium rate of 37 c/kWh, and;
- ii. the recommendation for a pricing arrangement for 2011 – 2015 that balances the need for certainty against the need for flexibility given the great uncertainties in Commonwealth policy settings and other important drivers.

I note that ACAT agrees with the methodology leading to and assumptions underlying recommendation 6.44.

I re-iterate the tribunal's concern about the inherent inequity of the current design of the FIT Scheme and the additional financial hardship it imposes on low income and vulnerable households. The ACAT response to the FIT Issues Paper expands on those concerns. We repeat our recommendation that an amount that fully offsets the costs passed on to customers in distribution tariffs set by the AER, be included in the energy concession so that energy concession customers are exempted from the costs of the FIT scheme.

Yours sincerely



Linda Crebbin
General President

11 March 2010

ENERGY & WATER

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