

Dear Stakeholder

OUTCOME OF CONSULTATION INDUSTRY CODE — ELECTRICITY FEED-IN CODE

In January 2009, the Commission invited comment on a draft Electricity Feed-in Code. The aim of the industry code is to set out practices and standards for the operation of the scheme for feed-in from renewable energy generators to the electricity network established under the *Electricity Feed-in (Renewable Energy Premium) Act 2008*.

Submissions received during the consultation period appear on the Commission's website (www.icrc.act.gov.au).

The Commission has considered all submissions received and has determined the Electricity Feed-in Code. The determined Code is now available on the Commission's website. Attached to this letter is a version of the determined Code with amendments to the consultation draft of January 2009 highlighted.

Set out below are the major issues raised during consultation, some of which have resulted in changes to the Code:

- *National regulatory consistency:*
The points made in consultation are noted by the Commission, but the ACT scheme as set out in legislation differs from schemes in other jurisdictions as does the ACT framework for utilities regulation. The differences in regulatory approach, to a large extent, flow from this.
- *Suggestions for greater specification of supplier service standards:*
The Commission considers that existing statements in the Consumer Protection Code should suffice, and has made no changes to the draft Code. The question of specific minimum service standards remains identified as a matter for the Code review process.
- *Removal of requirement for a distributor to state the end date for the 20 year period:*
ActewAGL raised practical problems in terms of aligning dates with future metering and billing cycles. The Commission agrees that sufficient certainty is provided by the start date.



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- *Requirement to publish the statement of supplier terms and conditions on the website:*
The requirement has been removed from the determined Code. There are questions about how the proposal aligns with other requirements for negotiated contracts. The Commission's view is that such a proposal requires more work and could be reconsidered at a later date in the light of experience with the scheme, particularly customers' experience.
- *The reporting scheme:*
No utility supported the reporting requirements. The quarterly frequency was a particular concern. No changes have been made to the reporting schedule. The reporting requirements were identified as necessary for the ACT Climate Change Strategy. The Code, however, has been amended to identify reporting arrangements as a specific item for the Code review process. The Commission understands the first report will be required in July 2009.
- *Putting beyond doubt that 'payment' for renewable electricity may be an offset against an electricity supply bill:*
The determined Code makes it clear that such an arrangement — which it is expected will be the standard arrangement for almost all payments — is acceptable. It is expected that customers for whom the offsetting arrangement is not appropriate, including customers in long-term credit on their renewable energy payments, will still be accommodated.
- *Hardship provisions:*
Clause 6.3 has been redrafted to provide a clearer statement of its intent. See further note below on hardship issues.

The final Electricity Feed-in Code continues to contain a provision relating to Commission review of the Code. The provision has been expanded to make a specific mention of reporting arrangements.

The Commission will continue to monitor the effectiveness of the Code in the light of experience with the Feed-in Scheme. One issue is the interaction of the Feed-in Scheme and hardship arrangements in the ACT. Under consideration would be whether formalised utility hardship policies provide a better approach and could obviate the continuing need for clause 6.3. Such consideration could take place ahead of the review date specified in the Feed-in Code.

The Commission appreciates the interest that utilities and other parties have taken in this matter.

Yours sincerely



Paul Baxter
Senior Commissioner

2 March 2009