



MEDIA STATEMENT

Draft Report on Feed-in Tariff Premium Rate for 2010-11

The Independent Competition and Regulatory Commission has today released its draft report and recommendation on the feed-in tariff premium rate to be paid in 2010-11.

'The Commission has made a draft recommendation that the premium rate for 2010-11 be set at 37 cents per kilowatt hour of electricity generated,' Senior Commissioner Paul Baxter said today.

'In arriving at this draft recommendation, the Commission has sought to balance the various objectives and aims of the feed-in tariff scheme with a tariff setting approach which provides potential feed-in tariff electricity generators with sufficient financial incentive to encourage participation in this scheme,' Mr Baxter said.

Participants in the Government's feed-in tariff scheme are guaranteed payment of the premium rate for the electricity they produce for a period of 20 years from the date that the relevant generating equipment is connected to the ACT distribution network.

'Under the draft recommendation made by the Commission, those installing eligible feed-in tariff generating equipment in 2010-11 with a capacity of 1.5 kilowatts, will on average recover their investment in 10 years, and over the legislated 20 year life of the payment program will receive a 7% return per annum on their investment,' Mr Baxter said.

'By comparison to other relatively low risk investments, this is a very attractive return especially as for households who are the main participants in the scheme, the return is tax free,' Mr Baxter said.

'Furthermore, by comparison to the feed-in tariff schemes operated in other parts of Australia, the ACT scheme will still be generous,' Mr Baxter said.

The Commission's draft report also contains a suggested mechanism for reviewing the premium rate over the years 2011-12 to 2014-15 and upon

which advice can be given to the Minister for Energy, Mr Simon Corbell MLA, on any possible change required to the premium rate in these years.

Responsibility for determining the premium rate resides with the Minister for Energy, although the Minister is required to seek advice on the rate from the Commission.

Copies of the draft report can be found on the Commission's website at www.icrc.act.gov.au.

Comments and submissions are being sought on the draft report and these should be lodged with the Commission by **4 March 2010**. A final report will be issued on 15 March 2010.

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