

ANSWERS TO QUESTIONS TAKEN ON NOTICE

Department of Treasury and Finance

(Public Hearing, 27 March 2015)

1. Clarification sought regarding responsibility for determining the Feed-In Tariff rate for renewable electricity generation.

A response for the Committee in relation to Treasury's perspective on feed-in tariffs is provided below.

The Territory's current feed-in tariff scheme (solar buyback scheme) is not the result of a policy by the Territory Government. The Power and Water Corporation (PWC) implemented the current feed-in tariff scheme in 2001 reflecting that initiatives related to renewable technologies have previously been left to the Territory electricity supply industry to determine on a market based approach consistent with some other jurisdictions in Australia.

This arrangement is a 1:1 scheme with the price linked to the retail prices set for customers consuming less than 750 MWh per annum as illustrated on Jacana Energy's website as detailed below. With Jacana Energy established as a separate Government Owned Corporation solely focussed on electricity retail, it has inherited administration and payment of the feed-in tariff.

While the Shareholding Minister has legislative authority under the *Electricity Reform Act* to set electricity retail prices he has no legislative authority to set feed-in tariff rates. Hence there is no determination or prescription of a feed-in tariff included in Pricing Orders. However, in practice it would seem prudent for the retailer (Jacana Energy's Board) to keep its Shareholding Minister informed of any material policy or pricing changes that may impact on the performance of the Government Owned Corporation. As such, we would recommend that Jacana Energy's Board should consult with the Shareholding Minister prior to making any changes to the feed-in tariff. The Shareholding Minister could issue a direction to the Jacana Board (under the GOC Act) to set or amend the feed-in tariff rate but has not issued a direction in relation to the current feed-in tariff.

The feed-in tariff on Jacana Energy's website is detailed below:

Type of meter	1 August 2014 (cents/kWh)
Domestic customers Flat buyback rate:	26.88
Commercial customers Standard flat rate:	31.28