Solar Matters No. 9

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Solar Premium Feed in Tariff Reduced

As has been expected, on 2nd September, the solar Premium Feed in Tariff (PFiT) was reduced from 60 cents/kWhr to a Transitional Feed in Tariff (TFiT) of 25 cents/kWhr. The scheme, which was designed to have an installed capacity of 100 megawatts, is almost fully subscribed with about 50,000 solar systems installed. All paperwork for these solar systems must be in by the 30th September to be considered for the premium rate. Those signed up to the Premium Feed in Tariff will continue to receive the 60-cent rate until 2024.

The new Transitional Feed-in Tariff will offer a credit of at least 25 cents per kilowatt-hour for excess electricity fed back into the grid. This rate is slightly higher than the average retail rate consumer's pay for electricity. The scheme is expected to be available from 1st January 2012, replacing the Premium Feed-in Tariff. All Victorian electricity retailers with more than 5,000 customers will have to offer the Solar Feed-in Tariff. This scheme is intended to have a capacity cap of 75 megawatts of installed solar systems across the state, and provide eligible signed-up customers with guaranteed credits until the end of 2016.

It is expected that retailers will be able to offer new Transitional Feed-in Tariff contracts after the legislation is passed through parliament in November. Anyone who submits their paperwork after September 30th should contact their electricity retailer and ask about the new Transitional Feed-in Tariff.

If you want more information, go to www.dpi.vic.gov.au and search for "Transitional Feed in Tariff". The second item on the list should answer your questions.

As a consequence of the new feed in tariff, the information that I have been providing in the monthly solar generation table, now includes "Daily Costs and Returns" and "Daily Savings" for both the 60 cent Premium Feed in Tariff and the 25 cent Transitional Feed in Tariff. This will allow those with an installed system and those about to install a system, to understand the likely financial outcome for those solar PV systems.

***Solar Tip for September**. If you are installing a solar system and submitting paperwork after 30th September, contact your electricity retailer and ask about the new Transitional Feed-in Tariff.*

The table below provides data collected from six Benalla District solar electrical systems for the months of July and August. Because the Premium Feed in Tariff (PFiT) is no longer available, this table now includes both Daily cost or return and Daily savings, for a feed in tariff of both 60 cents/kWhr and 25 cents/kWhr.

System	**A**		**B**		**C**		**D**		**E**		**F**	
Rated capacity	1 kW		3 kW		1 kW		2 kW		4.2 kW		3 kW	
Household description	2 A, SHW, SP, EWP, R		2 A, 2 T, AC, SHW, SP, EWP, R		3 A, SHW, AC, U		2 A, U, AC		2 A, SHW, EWP, R		4A, SP, EWP, R	
Month	July	Aug	July	Aug	July	Aug	July	Aug	July	Aug	July	Aug
Grid power consumed	18.7	21.28	28.03	19.37	14.04	12.6	11.39	7.41	12.57	10.05	30.67	19.68
Solar power generated	1.51	2.27	5.8	9.36	2.03	3.45	3.97	4.67	9.67	16.04	7.06	9.82
Total daily household consumption	19.44	22.17	31.66	23.03	15.74	15.08	13.4	8.32	14.41	12.26	34.0	23.57
Daily cost without solar	$3.54	$4.12	$5.84	$4.53	$3.41	$3.31	$2.96	$2.05	$2.52	$2.28	$5.71	$4.27
Daily cost or return with a PFiT of 60^{c}	$2.93 cost	$3.12 cost	$3.84 cost	$0.41 cost	$2.88 cost	$2.25 cost	$1.40 cost	$0.38 return	$2.53 return	$6.44 return	$2.83 cost	$0.03 return
Daily saving	$0.60	$1.00	$2.00	$4.12	$0.52	$1.06	$1.56	$2.43	$5.05	$8.72	$2.88	$4.30
Daily cost or return with a TFiT of 25^{c}	$3.20 cost	$3.61 cost	$4.60 cost	$2.40 cost	$3.00 cost	$2.59 cost	$2.08 cost	$0.93 cost	$0.21 cost	$1.60 return	$4.14 cost	$2.04 cost
Daily saving	$0.33	$0.52	$1.24	$2.13	$0.41	$0.72	$0.88	$1.12	$2.31	$3.88	$1.57	$2.23
Note 1: Each household will have different supply charges, however for simplicity and for direct comparison, the rates used for all calculations are as follows: Peak - 22.88 c/kWhr, Off Peak - 9.9c/kWhr, Premium Feed in Tariff - $0.60/kWhr, Transitional Feed in Tariff - $0.25/kWhr, Daily charge - 60.5 cents.												
Note 2: A = adults, T = teenagers, C = children, AC = air conditioning, SHW = solar hot water with electric boost, SP = swimming pool, EWP = electric water pumps, R = rural property, U = urban property												

Average Daily Solar Generation and Electrical Consumption for Selected Households in the Benalla District for the months of July and August 2011.

Disclaimer: Although every care has been taken in providing accurate information, no responsibility will be taken for the use of this information in making investment decisions.