

Question on Notice
No. 1185
Asked on Tuesday, 10 October 2023

MR S KNUTH ASKED MINISTER FOR ENERGY, RENEWABLES AND HYDROGEN AND MINISTER FOR PUBLIC WORKS AND PROCUREMENT (HON M DE BRENNI)

With reference to Solar Feed in Tariffs having reduced dramatically from a high of 60 cents a kilowatt hour over a decade ago, to around 12 cents per kilowatt hour today and considering the low feed in tariff might deter some non-solar households from signing up for solar panels—

Will the Minister review the feed in tariff for rooftop solar in line with increases in household electricity prices?

ANSWER

The Queensland Government remains focused on putting downward pressure on electricity bills.

In southeast Queensland different solar FiT's are available from more than 20 retailers in the market. The regulatory framework in southeast Queensland (overseen by the Australian Energy Regulator) means that retailers can set their own FiT on a commercial basis. When choosing an electricity tariff and solar FiT in South East Queensland, households should ensure that the entire offer is best suited to their circumstances. The Australian Energy Regulators' independent online price comparator at www.energymadeeasy.gov.au has been developed to assist Queenslanders in finding the best deal for their individual needs.

In regional Queensland, the Queensland Competition Authority (QCA) sets regulated electricity pricing and solar FiT rates. As part of my direction to the QCA last year I asked the QCA to review the solar FiT pricing methodology, which it did, ultimately concluding that it was appropriate to continue using its avoided cost methodology in the context of regional Queensland's regulated pricing environment. The QCA regulates electricity pricing and solar FiT rates. For 2023-24 the QCA set the FiT at 13.441 c/kWh.

In July 2008, the Queensland Government introduced the Solar Bonus Scheme to encourage investment in renewable electricity generation. The Scheme has been closed to new customers for over a decade, but those who applied for the scheme before 10 July 2012 and maintain their eligibility continue to receive a FiT payment of 44 cents per kilowatt-hour (c/kWh) until the scheme expires on 1 July 2028. Households on the Solar Bonus Scheme in South East Queensland would add their 44c/kWh feed-in-tariff to the FiT they receive from their electricity retailer.

Uptake for rooftop solar panel systems in Queensland remains high, regardless that the Solar Bonus Scheme closed to new customers on 10 July 2012 when a total of around 206,000 business and residential systems were installed. As of September 2023, more than 810,000 systems have been installed by households and businesses taking advantage of ongoing incentives available to install these systems, and the ongoing benefits they can offer. Installed inverter capacity of these systems is around 4,850 megawatts.

Last year I also directed the QCA to create two new “Solar Soaker” tariffs to provide suitable options for electric vehicle and home and small business battery owners to make the most of charging options during the day – when network utilisation is lower and solar generation is high. These new tariffs form part of the QCA’s tariffs for the 2023-24 period and have low charges during the day.

It is important to remember the value of rooftop solar is largely captured by households when it offsets the energy they would otherwise be purchasing from the grid. Irrespective of any solar FiT received, solar panel systems are a source of significant savings, especially when energy use is adjusted to take advantage of when the system is operating. Every kilowatt-hour of solar energy used to power the home is one kilowatt hour customers do not have to buy from their electricity retailer.

The Commonwealth Government also operates the small-scale renewable energy scheme, administered by the Clean Energy Regulator, which offers financial incentives to install eligible small-scale renewable energy systems including rooftop solar systems.