

**Council of Australian Governments Meeting
Canberra, 7 December 2012
National Principles for Feed-in Tariff Arrangements**

Micro generation to receive fair and reasonable value for exported energy

1. Governments agree that residential and small business consumers with grid connected micro generation¹ should have the right to export energy to the electricity grid and market participants should provide payment for exported electricity which reflects the value of that energy in the relevant electricity market and the relevant electricity network it feeds in to, taking into account the time of day during which energy is exported.

Any premium rate to be jurisdictionally determined, transitional and considered for public funding

2. That any jurisdictional or cooperative decisions to legislate rights for micro generation consumers to receive more than the value of their energy must:
 - a) be a transitional measure (noting that a national emissions trading system will provide increasing support for low emissions technologies), with clearly defined time limits and review thresholds and be closed to new participants by 2014;
 - b) for any new measures, or during any reviews of existing measures, undertake analysis to establish the benefits and costs of any subsidy against the objectives of that subsidy (taking into account other complementary measures in place to support micro generation consumers);
 - c) give explicit consideration to compensation from public funds or specific levies rather than cross-subsidised by energy distributors or retailers; and
 - d) not impose a disproportionate burden on other energy consumers without micro generation.

SCER to ensure fair treatment of micro generation

3. That the Standing Council on Energy and Resources (SCER) should maintain regulatory arrangements for micro generation customers, consistent with the objectives of the relevant electricity legislation, whereby the:
 - a) terms and conditions for compliant micro generation customers should be incorporated into the regulation of the minimum terms and conditions for retail contracts such that they are no less favourable than the terms and conditions for customers without micro generation;
 - b) connection arrangements for micro generation customers should be standardised and simplified to recognise the market power imbalance between micro generation customers and networks; and
 - c) assignment of network tariffs to micro generation consumers should be on the basis that they are treated no less favourably than customers without micro generation but with a similar load on the network.

¹ These national principles apply to grid connected micro generation compliant with the relevant Australian Standard (AS4777).

FiT policy to be consistent with previous COAG agreements (particularly the Australian Energy Market Agreement and COAG complementary principles)

4. That the arrangements for micro generation consumers by SCER and jurisdictions:
 - a) should not deter competition for their business from electricity retailers in jurisdictions where there is full retail contestability and innovation in the tariff offerings available to micro generation customers;
 - b) in relation to jurisdictions in the National Electricity Market (NEM), should not interfere with the regulation of distribution tariffs or operation of the NEM under the National Electricity Law or duplicate the regulatory arrangements that are part of that Law;
 - c) should be subject to independent regulatory oversight according to clear principles; and
 - d) should be consistent with implementation of other intergovernmental agreements relating to energy, competition policy or climate change.