### COUNCIL OF AUSTRALIAN GOVERNMENTS MEETING

#### **CANBERRA**

#### **29 November 2008**

# **National Principles for Feed-in Tariff Schemes**

Micro renewable generation to receive fair and reasonable value for exported energy

1. That Governments agree that residential and small business consumers with small renewables (small renewable consumers) should have the right to export energy to the electricity grid and require market participants to provide payment for that export which is at least equal to 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 small renewable 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;
  - 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 small renewable consumers);
  - 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 small renewable generation.

## MCE to continue to advance fair treatment of small renewables

- 3. That the Ministerial Council on Energy (MCE) should continue to implement the regulatory arrangements for small renewable customers, consistent with the objectives of the relevant electricity legislation, whereby the:
  - a) terms and conditions for PV 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 small renewables;
  - b) connection arrangements for small renewables customers should be standardised and simplified to recognise the market power imbalance between small renewable customers and networks; and
  - c) assignment of tariffs to small renewable consumers should be on the basis that they are treated no less favourably than customers without small renewables but with a similar load on the network.

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

- 4. That the arrangements for PV consumers by the MCE 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 PV customers;
  - b) in relation to jurisdictions in the National Electricity Market, should not interfere with the regulation of distribution tariffs or operation of the national electricity market 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.