



Office of the
Minister for Energy and Water Supply

Ref: EWS/004517
CTS 02267/14

QLD COMPETITION AUTHORITY

20 MAR 2014

DATE RECEIVED

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13 March 2014

Mr Malcolm Roberts
Chairman
Queensland Competition Authority
GPO Box 2257
BRISBANE QLD 4001

Dear Mr Roberts

On 6 March 2014, I announced the government's decision to change the Solar Bonus Scheme to allow electricity retailers to determine future solar feed-in tariffs (FiTs) for South East Queensland (SEQ) customers effective 1 July 2014, when the 8 cents per kilowatt hour (c/kWh) distributor-funded FiT ends. I also announced that the government would work with the Queensland Competition Authority (QCA) to improve the public availability of electricity retailer information about market FiT rates, terms and conditions, so that customers in SEQ can make better informed choices and benefit from an increasingly competitive FiT market.

In its 2013 report *Estimating a fair and reasonable solar feed-in tariff for Queensland*, the QCA advised that customer information about market FiT rates, terms and conditions could be enhanced by extending current retailer information disclosure provisions in the *Electricity Industry Code* (the Code) to explicitly cover solar PV offers and customers. For this reason, I am now writing to ask the QCA to amend the Code in line with this advice.

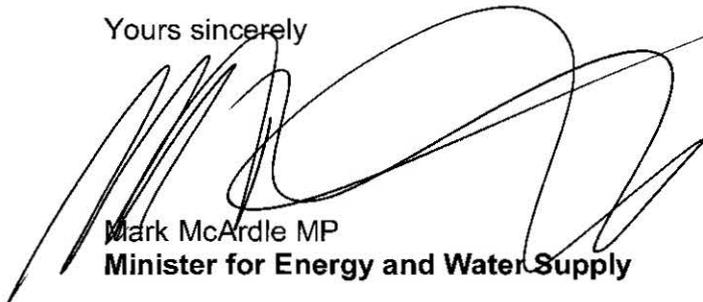
The purpose of the amendment is to clarify in relation to Chapter 8 of the Code, a requirement that retailers' price fact sheets also include the details of their solar FiT offers and that this information also be made available on the QCA's online electricity price comparator. The intent is to mirror the requirements already in place under the Australian Energy Regulator's (AER) *Retail Pricing Information Guideline*. This will ensure Queensland consumers have access to the information they need to engage effectively in a competitive FiT market.

I consider that by supporting effective small customer participation in the FiT market, the proposed amendment satisfies the Code's objective in promoting the efficient use of electricity services for the long-term interests of Queensland customers. Given the proposed amendment is uncontroversial in nature and the changes are without material detriment to another party's interest, because similar information disclosure requirements are already in place at a national level. I ask that the QCA progress this Code amendment without undertaking further consultation, as provided for in section 120PA(2) of the *Electricity Act 1994*.

To prepare for new market FiT arrangements commencing 1 July 2014, Queensland electricity customers must be equipped with the relevant market FiT information, via the QCA price comparator, at least five (5) weeks before the 8 c/kWh FiT ceases on 30 June 2014. I therefore request that the QCA progress this work as a matter of priority and for a response to be provided to me no later than 28 March 2014, allowing finalisation of the Code amendments by 22 April 2014 at the latest. I ask that the Code amendments are gazetted and the online price comparator is updated with the relevant information by no later than 26 May 2014.

Noting the timeframes involved in amending the Code and implementing the new requirements, I also request that the QCA work with retailers on a voluntary basis to progressively gather and publish the relevant market FiT information as early as possible. Should the QCA have any questions about this request, Mr Tim Quirey, Director, Renewable and Alternative Energy will be pleased to assist and can be contacted at tim.quirey@dews.qld.gov.au or by calling (07) 3405 5589.

Yours sincerely

A large, stylized handwritten signature in black ink, appearing to read 'Mark McArdle', is written over the typed name and title.

Mark McArdle MP
Minister for Energy and Water Supply