

Regional Queensland solar feed-in tariff 2022–23

We use the 'avoided cost' methodology to estimate the costs a retailer avoids when sourcing electricity from solar PV customers rather than the National Electricity Market (NEM).

These avoided costs are summed to determine the solar feed-in tariff (FIT) rate.



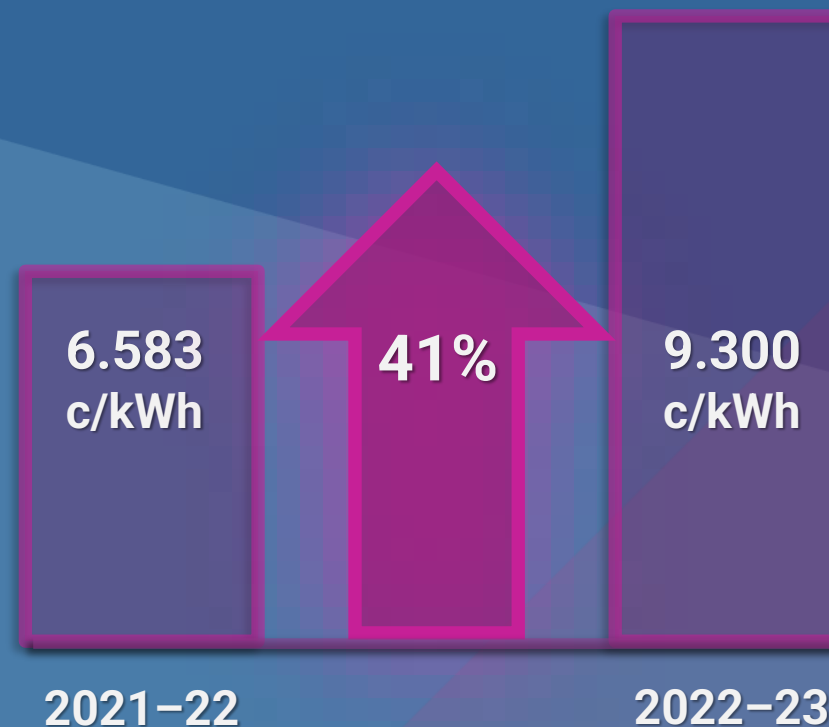
Why is the FIT less than the usage charges?

Retailers still incur some costs when on-selling solar PV generated electricity.



A 'one-for-one' feed-in tariff would require the retailer to subsidise customers who export solar PV energy. The cost of a subsidy would then need to be recovered through higher electricity prices for all customers.

How does the 2022–23 FIT compare to this year?



Why is the FIT higher for 2022–23?

The 2022–23 FIT is higher primarily because of a projected increase in wholesale energy costs.

The primary drivers of increased wholesale energy costs

- A tighter supply-demand balance in Queensland due to:
 - A slowdown of renewable generation coming online
 - Outages reducing the availability of Queensland generators
- Higher gas and coal prices
- Uncertainty faced by market participants associated with changes to the way the NEM operates (the introduction of 5-minute settlement).