

Mr Adam Wilson  
CEO  
Essential Services Commission of South Australia  
By email

21 April 2016

Dear Mr Wilson,

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**RE: Electricity retailer feed-in tariff: Review of regulatory arrangements**

SACOSS is the peak body for the community services sector in South Australia, with a long– standing interest in the efficient delivery of essential services. We thank the Commission for the opportunity to comment on the Electricity retailer feed-in tariff review.

SACOSS supports the removal of the minimum regulated retailer-paid feed in tariff (R-FiT) which must be paid to residential and small business electricity customers with solar photovoltaic generators (PV customers).

As noted by ESCOSA in the Issues Paper:

Setting a minimum R-FiT can impose costs on retailers, which will ultimately be met by all customers. These include the direct costs of compliance but may also arise indirectly, for example, in reduced differentiation of market offers through imposing a constraint (the minimum R-FiT) on the way retailers can develop their tariffs. In a competitive market, product differentiation may allow consumer choice and a greater chance of satisfying any single consumer’s particular needs.

If a market is not sufficiently competitive, however, setting a minimum R-FiT may facilitate more efficient outcomes for the consumer, as retailers may otherwise price their products inefficiently.

At this stage, SACOSS considers that the market is sufficiently competitive as per the Australian Energy Market Commission findings and there is no longer place for a minimum R FiT which imposes costs on all customers without material benefit. SACOSS intends to maintain a watching brief on the Commission’s Review, in order to examine and assess the Commission’s analysis of the retail market.

We thank you in advance for consideration of our comments. If you have any questions relating to the above, please contact SACOSS Senior Policy Officer, Jo De Silva on (08) 8305 4211 or via [jo@sacoss.org.au](mailto:jo@sacoss.org.au).

Yours sincerely,



Ross Womersley  
Executive Director