

GOANNA ENERGY CONSULTING – APRIL 2011 NEWSLETTER

TASMANIAN ELECTRICITY SUPPLY INDUSTRY EXPERT PANEL ANNOUNCES COMMUNITY HEARINGS

Tasmania's Electricity Supply Industry Expert Panel has announced the first round of Community Hearings. The first is in Hobart at 5.30pm on Tuesday 19th April at the Salamanca Inn. This will be followed by the Launceston forum, which is scheduled for 5.30pm on Wednesday 20th April at the Mercure Launceston. Whilst hearings are open to the public if you wish to address the Panel you must register with the Panel on (03) 6232 7123. View more information on the Panel at <http://www.electricity.tas.gov.au/>

GOANNA WELCOMES AUSTRALIAN ENERGY MARKETS COMMISSION TO HOBART

Goanna Energy, Principal Consultant, Marc White was pleased to be involved in the AEMC's visit to Tasmania during March 2011. Chairman, John Pierce and CEO, Steve Graham along with Commissioners, Neville Henderson and Brian Spalding hosted forums in Hobart to listen to firsthand accounts on the experiences of Tasmania's energy users. A range of local stakeholders, including industry associations, end use customers, embedded renewable generators and energy industry experts were invited to share their thoughts on the electricity market dynamics in Tasmania and the challenges facing small scale renewable generators. More information about the AEMC can be found at www.aemc.gov.au

SMALL SCALE TECHNOLOGY CERTIFICATE COSTS FLOW THROUGH TO CONSUMERS.

The arrival of contestable customer electricity invoices in 2011 has caused a stir, as vigilant Tasmanian finance managers noted the appearance of another new line item in their itemised electricity accounts. The appearance of the words "Large-Scale Generation Certificate" and "Small-Scale Technology Certificate", along with corresponding consumptions, grossed up by a Loss Factor, multiplied by a new rate and the resulting additional cost, which can be more than double the cost of the "Large Scale Generation Certificates" under the REC scheme appeared in 2011. These additional imposts have not been welcomed by businesses, many of whom had no chance to budget for these increases and still scratch their heads wondering how to defray these ever increasing costs. These changes along with changes to the billing format have kept Goanna busy checking our clients accounts for over charges.

The Office of the Renewable Energy Regulator (ORER) set the Small-scale Technology Percentage (STP) for Calendar year 2011 at 14.8%. However on 1 April 2011 the ORER published "non binding" STP estimates for Calendar 2012 at 16.75% and Calendar 2013 at 10.62%. Therefore SRES pricing for Calendar 2012 will be significantly higher than the rate applied by most retailers for Calendar year 2011.

TRANCHE 5A CONTESTABILITY FOR SITES OVER 50MWh (> \$11,000 pa)

Goanna expects the Tasmanian State Government to make further announcements regarding Tranche 5a contestability over the next few weeks. A reminder that an overview 9 min YouTube video on the Tasmanian electricity market and Tranche 5a contestability which is due to commence from 1 July 2011 is available to watch at: <http://www.youtube.com/watch?v=OYzleQkwOVs>

ENERGY USERS ASSOCIATION OF AUSTRALIA - TASMANIAN ENERGY FORUM

The EUAA Annual Tasmanian Energy Forum was held in Launceston and highlights of the event included presentations from the CEO's of Hydro Tasmania and Aurora Energy, who were also the major sponsor of the event. Both feedback and attendance at the event were excellent, demonstrating the topical nature of the subjects covered. More information and membership details can be found at www.euaa.com.au Look out for the next EUAA Tasmanian Energy Forum which will be rotated to Hobart for 2012.

DO LOSS FACTORS APPLY TO RENEWABLE ENERGY CERTIFICATES?

Well, Yes, one of them! Following on from our story on Small Scale Technology Certificates, in our next edition we will explain the application of Loss Factors on certain components of the electricity account.

For more information please contact **Marc White**, Principal Consultant on (03) 6223 7253, Mobile 0418 596 162 or visit www.goannaenergy.com.au

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