

FACTSHEET – NSW Solar Bonus Scheme

The Gross Feed-in Tariff

The NSW Government has announced a 'gross' Feed-in Tariff for NSW households with solar panels commencing January 1, 2010.

NSW's Solar Bonus Scheme will now deliver the highest payments to families of anywhere in the country.

Under a Gross Feed-in Tariff households will be paid for every single kilowatt hour of energy they generate instead being paid only for what they don't use.

NSW current solar capacity

As at August 2009, there were 10,476 PV systems installed within NSW, providing a total generation capacity of just over 13MW. Of these, 8,371 or 80% are connected to the electricity grid.

There have been significant increases in the number of PV systems installed in NSW, with near exponential growth since mid-2007.

Eligible technology

Solar photovoltaic systems up to 10 kilowatts in size will be eligible for the NSW Gross Feed-in Tariff. A standard solar system is around 1.5kW and can generate around 2500kWh of solar energy a year.

Wind turbines up to 10kW will also be eligible to be paid the Feed-in Tariff.

The tariff will be payable to small retail customers (whose electricity consumption does not exceed 160 megawatt-hours of electricity per annum).

Average Payments

Under the new Solar Bonus Scheme a household with a standard solar system will be paid around \$1500 a year for the clean energy they generate.

At this rate the payback period on a standard solar system will be just over 8 years.

The scheme will be capped at a 10kW system which would generate around 16,700 kWh a year and pay out close to \$10,000 under the Government's new gross feed in tariff.

PV system capital costs

The average cost per KW of a PV system is \$12,500. The actual price paid by customers is significantly less when Government rebates and subsidies are taken into account.

Over the last two decades, the cost of manufacturing and installing a photovoltaic solar power system has decreased by about 20% with every doubling of installed capacity.

Solar PV costs are expected to continue to decrease. PV cost reductions in excess of 50% from 2007 levels have been predicted. Industry experts have suggested that within three to seven years, solar energy's unsubsidised cost to consumers could approach the cost of conventional electricity in a number of markets.

Take up Rates

Early figures suggest around 10,000 NSW households are likely to install solar panels in the first year of the scheme and over 60,000 units will be installed over the full seven years.

Clean Energy Jobs

This huge increase in investment in renewable energy will support more than 500 new clean energy jobs across the state in its first year alone.