



# **The Hon Chris Hartcher MP**

## **Minister for Resources and Energy**

### **Special Minister of State**

### **Minister for the Central Coast**

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## **MEDIA RELEASE**

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Friday 13 May 2011

### **NSW GOVERNMENT ANNOUNCES CLOSURE OF SOLAR BONUS SCHEME**

The NSW Government has today moved to ease the cost burden of the Solar Bonus Scheme by announcing the Scheme's permanent closure to new applicants.

NSW Minister for Resources and Energy, Chris Hartcher said the Government was closing the Scheme to new applicants effective midnight 28 April 2011 and will introduce legislation to Parliament as soon as possible to support these changes.

"This is a Scheme that from the outset has been characterised by policy failure and an extraordinary level of mismanagement," Mr Hartcher said.

"We believe this to be a fair and responsible measure to reduce the burden imposed on NSW taxpayers."

The total cost of the Solar Bonus Scheme is expected to reach up to \$1.9 billion.

Mr Hartcher said the Government would honour applications received by network businesses before the hold was imposed.

"Applications received prior to the 29 April 2011 but yet to be connected to the Scheme will be progressed and considered under the eligibility criteria.

"This will allow approximately 40,000 additional customers to access the Scheme, on top of the 120,000 customers already participating.

"This decision will see approximately 365MW of renewable energy connected to the grid, and will provide ongoing work for the solar industry with the additional 40,000 systems still to be connected," Mr Hartcher said.

Mr Hartcher also announced that customers eligible for the 60 cent tariff will see their tariff rate reduced to 40 cents from 1 July 2011 for the remainder of the Scheme.

Customers eligible for the 20 cent tariff will see no change.

"We acknowledge customers who joined the original 60 cent Scheme had certain expectations of financial returns, however the Scheme was never intended to provide windfall profits to a few at the expense of many.

“These changes will reduce the potential for customers to reap windfall profits while minimising the undue burden placed on non-participating households,” Mr Hartcher said.

A typical customer with a system size of 1.5 kilowatts that qualified for the 60 cent Scheme can still expect to receive a return on their system’s costs in approximately four years.

“Anyone applying after 28 April 2011 will still have the right to connect renewable energy generators to the grid, receive separate retailer feed-in offers and other Commonwealth incentives.”

The Government placed a two month hold on applications to the Scheme on 28 April 2011 while it considered the outcomes of Stage One of the NSW Solar Summit.

The Summit arrived at the consensus that the Solar Bonus Scheme be wound up in a fair and equitable way, recognising the blown out costs of the Scheme that have been imposed on non-participating households.

The Solar Summit Stage Two will be held in June and will examine options to establish a long-term and sustainable future for the NSW solar industry and responsible energy policy.

“The NSW Government is committed to renewable energy with a focus on sensible, sustained, and affordable progress for renewables,” Mr Hartcher said.

For information on the Solar Bonus Scheme visit [www.industry.nsw.gov/energy](http://www.industry.nsw.gov/energy) or call the Energy Information Line on 1300 136 888.

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