



# QUEENSLAND FARMERS' FEDERATION

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## Submission

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Project Manager  
Queensland Renewable Energy Expert Panel  
PO Box 15456  
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Web-submission: [www.QLDREpanel.com.au](http://www.QLDREpanel.com.au)

Dear Sir/Madam

**Re: Draft Report: Credible Pathways to a 50% Renewable Energy Target for Queensland (October 2016)**

The Queensland Farmers' Federation (QFF) is the united voice of intensive agriculture in Queensland. It is a federation that represents the interests of 15 of Queensland's peak rural industry organisations, which in turn collectively represent more than 13,000 primary producers across the state. QFF engages in a broad range of economic, social, environmental and regional issues of strategic importance to the productivity, sustainability and growth of the agricultural sector. QFF's mission is to secure a strong and sustainable future for Queensland primary producers by representing the common interests of our member organisations:

- CANEGROWERS
- Cotton Australia
- Growcom
- Nursery & Garden Industry Queensland
- Queensland Chicken Growers Association
- Queensland Dairyfarmers' Organisation
- Burdekin River Irrigation Area Committee
- Bundaberg Regional Irrigators Group
- Central Downs Irrigators Limited
- Flower Association of Queensland Inc.
- Pioneer Valley Water Board
- Pork Queensland Inc.
- Queensland Chicken Meat Council
- Queensland United Egg Producers
- Australian Organic.

*The united voice of intensive agriculture*



QFF welcomes the opportunity to provide comment on the Draft Report titled 'Credible Pathways to a 50% Renewable Energy Target for Queensland'. Whilst QFF commends the Panel for the extensive work and well-referenced draft report there are a number of critical factors which have not been adequately addressed.

With regards to the Draft Report, QFF notes the following:

- Figure 10 (page 22), makes reference to the Etheridge Integrated Agricultural Project. QFF directs the Panel to the decision made by the Coordinator-General on 5 September 2016 in his decision not to grant an extension for the Etheridge Integrated Agricultural Project (IFED) following failure to submit requested documentation (EIS etc.) by the project proponents.
- Section 17 of the Renewable Energy (Electricity) Act 2000 identifies eligible energy sources for renewables including several agricultural wastes and by-products from agri-processing activities.

The Queensland Government has a vision for a \$1 billion sustainable and export-oriented industrial biotechnology and bioproducts sector attracting significant international investment, and creating regional, high-value and knowledge-intensive jobs. The Queensland Biofutures 10-Year Roadmap and Action Plan sets out a pathway to achieve this goal, including the Biofutures Acceleration Program, which has the specific aim to attract and support the development of new biorefinery projects within Queensland. This is supported by the current Bioethanol Mandate (noting the recommendation of the Productivity Commission's Draft Report into the Regulation of Australian Agriculture to remove this provision). As policies and incentives move this agenda, it is likely that some potential renewable energy materials, agricultural wastes in particular, will transfer opportunity from domestic renewable energy generation to the manufacture and export of biofuels for example. This market change is already occurring in the cane industry, where cane trash that has traditionally been used as a fuel at the sugar mills to offset a proportion of the processing energy is being diverted towards future biorefinery contracts.

The draft report is not clear on the relationship between renewable energy and how the manufacture and export of biofuels will impact the overall renewable energy target.

- Many farms have already installed considerable PV capacity. This capacity is behind the meter and not included in the target. In addition, farms are unable to export this renewable energy to the grid/network where excessive administrative or financial barriers are used to ensure this power does not benefit others within the network. Matters to be addressed include:
  - The cost and time taken for network connection inquiries needs to be reduced;
  - Businesses which are connecting less than 100kW of renewables (solar and bio-energy for example) are being prevented from exporting power, and furthermore, prevented from using their own solar power until they are drawing more than 20kW from the grid. (QFF can provide examples for both South East Queensland and across rural Queensland);
  - Planning Regulations: update the *Queensland Planning Provisions* to provide greater certainty for renewable energy developments and investigation equipment (wind masts for example) which can be clearly defined and code assessable, and to encourage smaller scale renewable development with reduced town planning requirements;
  - Duplication of regulatory burden on the sector. For example, currently anaerobic digestion is regulated under the Petroleum and Gas (Safety and Production) Regulation 2004. This requires the completion of an annual Petroleum and Gas Safety and Health Fee Return form which is used to ascertain any liability to pay the Petroleum and Gas Safety and Health Fee. Section 134A outlines the Safety and Health Fee sections of the Regulation and details reporting requirements and when operators are liable/not liable

to pay the fee. The annual fee for liable installations is currently \$4,279 (as advised by the Department of Natural Resources and Mines on 30 September 2016). However, the Department of Environment and Heritage Protection is now seeking to include anaerobic digestion into its regulation (under the Environmental Protection Regulation 2008, as part of Environmentally Relevant Activity - ERA53), with an additional annual fee. The current annual fee is sufficient to negatively impact pay-back periods and discourage the installation of small-scale renewable energy plants at intensive animal industries.

- QFF recommends that further (and urgent) investigations are required to remove regulatory obstacles to renewable energy development at a scale that commercial enterprises, including farms, require.
- Energy Markets must also be addressed. The approach to tariff design and charging needs to be reviewed to encourage greater network asset utilisation and greater renewable energy uptake such as:
  - The Queensland Government working closely with the Australian Energy Market Commission (AEMC) and stakeholders to develop new models for grid usage such as virtual net metering, peer to peer trading etc., including but not limited to:
    - where a farmer has multiple network connections, they can have renewables connected to the main NMI/account, and credit against consumption at a separate pump connection against the solar generation (with a 'grid transport fee');
    - a farm business could generate enough power at one site with a bioenergy plant to cover the consumption at a number of separate (but nearby) sites, by offsetting that consumption against generation at the main site (with a 'grid transport fee').
  - Reviewing the current approach for higher fixed charges on electricity accounts to recover fixed costs. This regime, where tariffs for high-energy users include higher fixed charges, discourages energy efficiency and renewable energy because energy users do not achieve cost savings commensurate with their energy savings. The Queensland Government and the AEMC must seek to develop appropriate tariff structures that are based largely on consumption and demand, leading to a greater focus among customers on efficiency, demand reduction and renewables.

For this to happen the Queensland Government needs to work proactively with the AEMC to support new rules. For example, the current discussions regarding a rule change for Local Network Generation Credits which the AEMC has indicated in a draft determination that it will reject (see ERC0191). Rule changes will be required to allow virtual net metering and the Queensland Government should be seeking to create the conditions for greater renewable energy deployment and network utilisation by leading a rule change (and Queensland-based trials) to encourage virtual net metering.

- QFF welcomes the Panel's recommendation that the 'target' should be applied to the electricity generation sector (see section '4.1.1. What should be included in the target: Energy sector or electricity generation sector'). The Panel notes that their 'Terms of Reference' specifically requires them to provide advice on whether the renewable energy target should be limited to the electricity sector or be applied more broadly; and a broader target might include fuels used in the generation of electricity, transport, agriculture, manufacturing, construction, mining and other sectors. This approach would capture the use of renewables in electricity generation (e.g. solar, wind, hydro and biomass), transport (e.g. biofuels) and other forms of stationary energy (e.g. industrial heat and LNG production).

QFF brings to the Panel's attention, the increased use of diesel on-farm for power. The

decreasing reliability of power across many regional areas coupled with unsustainable price increases for the agricultural sector (see Attachment 1); the absence of an open and transparent regional electricity market; and the removal of specific tariffs for irrigation and farming from 2020, means that many agricultural processes can no longer maintain their connection to the network/distribution grid. Farmers are increasingly seeking strategies for moving off-grid through the utilisation of renewable power (mostly solar PV and increasing interest in battery storage) underpinned by diesel to provide reliable base-load. As such, QFF cannot support any broader target which seeks to include fuels used in the generation of electricity on agriculture.

- Finally, QFF welcomes the Panel's conclusion that the renewable energy target may be achieved under cost-neutral conditions. However, the draft report does not appear to have considered the impact of increasing numbers of households and businesses leaving the network (as they move to self-sufficiency through the use of renewable energy and supporting technologies) on the cost efficiencies of the distribution networks themselves. For example, IKEA recently announced that its Queensland stores will be off-grid by 2020.

If you require further clarification or have questions about this submission, please contact Dr Georgina Davis on (07) 3837 4720 or email [georgina@qff.org.au](mailto:georgina@qff.org.au).

Yours sincerely

Travis Tobin  
Chief Executive Officer