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Submission

5 February 2020

Energy Review Team
Department of Natural Resources, Mines and Energy
BRISBANE Q 4000

Via email: energyreview@dnrme.qld.gov.au

Dear Sir/ Madam

Re: Review of Queensland Energy Legislation, Options Paper (October 2019)

The Queensland Farmers' Federation (QFF) is the united voice of agriculture in Queensland. It is a federation that represents the interests of peak state and national agriculture industry organisations, which in turn collectively represent more than 13,000 farmers 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 farmers by representing the common interests of our member organisations:

- CANEGROWERS
- Cotton Australia
- Growcom
- Nursery & Garden Industry Queensland (NGIQ)
- Queensland Chicken Growers Association (QCGA)
- Queensland Dairyfarmers' Organisation (QDO)
- Australian Cane Farmers Association (ACFA)
- Pork Queensland Inc.
- Queensland United Egg Producers (QUEP)
- Queensland Chicken Meat Council (QCMC)
- Bundaberg Regional Irrigators Group (BRIG)
- Burdekin River Irrigation Area Irrigators Ltd (BRIA)
- Central Downs Irrigators Ltd (CDIL)
- Fairbairn Irrigation Network Ltd
- Mallawa Irrigation Ltd
- Pioneer Valley Water Cooperative Ltd (PV Water)
- Theodore Water Pty Ltd.

QFF welcomes the opportunity to provide comment on the Review of Queensland Energy Legislation - Options Paper (October 2019). We provide this submission without prejudice to any additional submission from our members or individual farmers.

Topic 1 Purpose of state energy laws i.e Objectives of the Acts
Q1.1 Of the Options considered for this Topic, which one do you prefer?
Unable to leave comment. Selected option 3.

Align the purpose of the Electricity Act and Gas Supply Act with the nation's energy objectives and state priorities. Aligning with the nation's energy objectives will allow for a reduction in costs and greater energy efficiency, due to an outdated legislative framework, that currently has the inability to keep up with technology and infrastructure demand.

Topic 2 Energy efficiency and demand management
Q2.1 Of the Options considered for this Topic, which one do you prefer?

Option 3.
Removing duplication between state and federal legislation is a necessary step forward to reduce costs, maximise efficiency to isolated areas, and accommodate consumers that are currently absorbing unnecessary costs due to an outdated legislated framework. It is recommended that state regulation is removed only to the extent that it duplicates other laws. It is noted that applied national laws for demand management and energy efficiency are requiring consolidation.

The aims of this process are to lower costs and reduce environmental pollution, through energy conservation, reduced emissions and improved network utilisation. However, it has failed to incorporate room for growth within the energy sector in this part of the regulation, to align with a change in energy use, and technology which will help reduce environmental pollution by incentivising energy conservation. As new technology is integrated within the agricultural sector, energy efficiency, transparency in costs, reduction in costs and a more detailed approach to stand alone power systems is necessary and therefore although option 3 is selected, this requires further clarity.

More emphasis needs to be placed on promoting energy efficiency and incorporate tighter regulation as suggested in the gas sector, as methane emissions are a relative and important issue pertaining to the supply of electricity. Very little emphasis has been included on methane gas emissions and including this as a factor to underpin and support energy efficiency and demand management will help to mitigate changes in energy use in a changing climate.

It is agreed that the *Electricity Act 1994* needs to promote emissions reductions across the energy sector, to support energy efficiency, conservation and demand response programs that benefits energy reliability and affordability.

Topic 3 Interaction with applied national laws
Q3.1 Of the Options considered for this Topic, which one do you prefer?

Option 1.
Aligning laws so that definitions are clear and concise, helps to guide uniformity in an industry that is governed by a variety of complex laws. Option 1 allows for applied laws to have the similar outcomes as other options listed, however, Option 3 may allow for the introduction of an easier transition to have definitions and gathering powers aligned to regulatory framework. This may well reduce complexity in varying definitions between laws, but we do not support safety installers having a direct obligation to provide a certificate of safety when connecting devices to the network. QFF believes that this will exacerbate the issues already existing between the state regulation and applied national laws, and contribute to an unreliable, possible cost adverse system, that will be further dominated by a complex framework.

It is imperative that the DER Register is given more clarity to allow for changes in technology, to support our producers in isolated areas, and ensure reliability and efficiency, especially in a changing climate when natural disasters will have a greater impact in these communities. Therefore, Option 1 is still a

more suitable option, given that safety, reliability, and efficiency are maintained whilst providing a more transparent legislative framework.

With the proposed uniformity of laws, greater compliance is required to ensure that the electricity network can facilitate and keep up with changes to the industry, as consumers requirements change. It is important that the ongoing collection of data is continued, which enables the issues to be addressed externally. However, given that QCA are involved in this process, maybe an overview of how this information is utilised, could be addressed in more detail. As it stands, how can utilising the QCA facilitate a more efficient process for change, given that when incorporating resource use, technology, or climate change variables, that will all have an impact on the interaction of national laws do not appear to be part of their future planning strategies. Keeping legislation as is, simply to align definitions, is ideal however regulation of advisory roles and compliance does need further investigation to ensure this process remains effective.

QFF also questions QCAs ability to meaningfully add value to this process based on their current skills.

Topic 4 Licensing
Q4.1.1 For generation, of the Options considered for this Topic, which one do you prefer?

Option 2
The current licensing regime as it stands, does not adequately allow for the renewable resource sector with the existing energy policy favouring non renewables that allow costs to be kept at a minimum whilst maximising profit. Licensing of installers for renewable energy sources such as solar, requires tighter compliance to ensure safety guidelines are supported at both national and state level. It is agreed that there are gaps in the licensing categories, due to the installation of micro grids, stand-alone power systems and batteries, and community owned assets, which has allowed for a hard to regulate system which has had no prior planning integrated into the registration process. This has allowed for the current licensing framework to become almost unfunctional.

QFF notes that option 3 is continuing the downward spiral of the licencing demise, which does not allow for regulation or alignment of legislation, which will be harder to govern or incorporate renewable resources or changes in technology into the future.

Option 2 in this case, is important to ensure that national alignment is integrated into a process to reduce gaps in different energy systems, but also ensure that government develops an efficient and effective regulatory framework to manage all systems, including those that are stand-alone.

Q4.2.1 For network businesses, of the Options considered for this Topic, which one do you prefer?

Option 2
As above option 2 is recommended as the application fees for licensing would be set at cost reflective levels as determined by the regulator, which will also allow for electricity and gas distribution to be aligned with national arrangements. It is imperative that duplication for demand management is removed, however demand management reporting for stand-alone systems should be retained as is.

In regard to new and emerging technology and climate transition policies, the inclusion of future government polices about environmental and energy issues, are not currently factored into licencing. It is proposed to remove express application fees for electricity and gas from regulation.

This could vary further given that the regulator could charge application and annual licensing fees on a cost reflective basis to accommodate changes. The issues being for this arrangement is that exemption categories listed within the licensing framework require greater clarity to ensure costs do reflect changes in the network, climate and technology. Option 3 is not an option in this instance for network business due to the deregulation of an authorisation scheme. The ability to intervene on environmental

grounds is a positive one but requires better alignment with national legislation and removing duplication.

Topic 5 Powers of entry and resumption
Q5.1 Of the Options considered for this Topic, which one do you prefer?

Option 2
Powers of entry and resumption request to give metering coordinators the same rights as distributors to enter property to install and maintain meters. This is to allow works for operation, maintenance and repair to support safe, reliable and cost-effective energy. Option 2 is supported, to support operation, maintenance and repair of existing infrastructure, whilst aligning other legislation relative to the distribution of energy.

Topic 6 Technical requirements
Q6.1 Of the Options considered for this Topic, which one do you prefer?

Option 3
Currently there are unnecessary restrictions on distributors from providing services via stand-alone systems. There is also a need for technical restrictions when dealing with the sensitivity of isolated networks to solar installations. There is also currently no clarity on the regulations surrounding battery installations, which is of a concern with the rapid changes in technology. Off grid electricity networks are not subject to national rules, however regulation is required to ensure safe installation and the ongoing safety of these off-grid networks whilst also addressing the environmental risks.

Q6.6 FEEDBACK WANTED Excluded customers. Stakeholder feedback is sought on the whether any adjustment may need to be made to either the National Energy Retail Law (Queensland) or the definition of excluded customer in the Electricity Act to account for new technology (e.g. solar and batteries) or new stand-alone power systems (noting the Australian Energy Market Commission is also considering this issue).

The regional feed-in tariff requires modernisation to keep up with changes in technology, including allowing for exporting from solar and battery systems. Renewable energy and new technology needs to be included in the national energy retail law, and adjustments made to incorporate changes in infrastructure, safety, installation, reliability and regulation of how new technology will be integrated as older energy sources are outdated due to costings, and impacts on the environment.

Topic 8 Dispute resolution Topic 8.1 EWOQ: Embedded network customer fee options
Q8.1 FEEDBACK WANTED Stakeholder views are sought on embedded network customer fee options

Fees to be cost reflective with clarity on any changes put forward.

Topic 8.2 EWOQ: general

Option 2.
Complaints in Queensland considered by the EWOQ are tightly regulated with the scope matter of disputes set in legislation. It is recommended that the statutory entity is given greater flexibility to adjust scope of complaints and cost recovery of arrangements, and stronger powers to review systemic issues.

Topic 8.3 Dispute resolution - Regulator
Q8.3.1 Of the Options considered for this Topic, which one do you prefer?

Option 2.

It is recommended that the Energy and Water Ombudsman Queensland (EWOQ) be retained as a statutory entity but given greater flexibility. This would allow the ombudsman to have increased flexibility and greater scope of disputes, stronger review powers and cost recovery arrangements.

Topic 9 Customer protections
Q9.1 Of the Options considered for this Topic, which one do you prefer?

Option 2 & 3 are supported.

Currently there are restrictions on accessing the energy concessions. It is proposed that access to energy concessions is to be altered so that all customers of an exempt seller will have access to concessions (including stand-alone systems). Option 2 will improve accessibility to concessions and service standards where cost effective, including customers that currently don't have access to the scheme. The definition utilised for 'customer' in the *Electricity Act* is to focus on the supply of electricity by a third party, rather than the retail sales relationship, which is more limiting.

The outcome for this would be that customer protections and obligations are placed on network entities in relation to end user applies as intended. This option does not give the greatest flexibility for customer protections however Option 3 which lists doing a full adjustment is not required. The Minister will be able to enter into concessions agreement with exempt sellers (not just stand-alone power systems as in Option 2) and codes may deal with service levels on any exempt network, not just those limited to over 100 people as required in Option 2. As an individual customer personal circumstances can result in hardship due to a variety of situations resulting in poor cash flow, the same is applicable to businesses and producers which require the same level of concessions available and hence why Option 2 and 3 are supported.

Allowing concessions to all customers is vital in enabling business and primary producers to overcome financial challenges in their business. A businesses financial situation can vary substantially due to a variety of circumstances which can arise from natural disasters, fluctuations in commodity markets, and changes in growing seasons due to greater climate variability which all have a direct effect on cash flow for businesses.

The points made in the options paper still require more streamlining, as some options require integration with other options that were made available. This will allow for greater economic viability for all customers, but also enables legislation to keep up with changes in technology and allow adjustments for this in the *Electricity Act*, which can be done by aligning national objectives.

If you have any queries relating to this submission, please do not hesitate to contact Ms Sharon McIntosh at sharon@qff.org.au

Yours sincerely

Dr Georgina Davis
Chief Executive Officer