Hi There,
Unfortunately, the level and complexity of public consultation in the energy policy arena is exhausting. Without exaggeration, it would be a full-time job for anyone to provide any meaningful consultation. For instance, just last Tuesday, June 12, while I was attending Energy Queensland Community Leaders forum in Cairns from 9am until 3pm, from 9.30 till 12.30 AEMO was consulting on Gas Wholesale policy (which has a direct impact on gas fired power generation) and then at 2.30 till 4.30pm AEMO was consulting about Forecast planning. Therefore, the little advice I offer here is not necessarily in keeping with the issues paper.

1 Headroom Charge:
There is no valid reason that regional Queenslanders continue to pay a 5% headroom charge to ‘encourage competition’. There simply is no competition and there is unlikely to be.

2 Community Service Obligation:
The CSO is thrown up at regional Queenslanders all the time as some sort of ‘gift’ we should all be grateful for. This is unfair and insulting. Regional Queenslanders don’t benefit from the $1.4b public transport subsidy benefiting SEQ. Why is that not raised at the same time and in the same breath as the CSO? 55% of Australia’s GDP is generated in Regional Australia. The provision of a CSO to ensure parity of power prices across the State is in the state’s best interest in generating income for the state. Also, the argument the CSO provides the same or similar costs are also flawed. The government’s own Energy Made Easy website, when comparing the best offers in regional Queensland to Ergon Retails best offer, continually shows regional households and businesses paying 10 to 20% more for the same volume of usage.

3 Jurisdictional Levy – Solar bonus scheme:
The cost of previous governments decision to implement solar bonus schemes should be a cost for the budget bottom line and not spread across ALL power consumers in Queensland

4 Embedded Networks:
A residential housing complex of 42 dwellings has a single point of supply. The 42 residents share a body corporate. The body corporate only operates for the benefit of the 42 residents. The body corporate only has income generated by the residents, for the residents, for payment of common services and maintenance. Under national energy rule changes implemented in December 2017, the body corporate is an ‘Embedded Network’, so treated as a ‘retailer’. As such the residents are no longer on a Tariff 11 residential tariff, but on Tariff 20L General Business. This has resulted in an almost doubling of the residents bills for no additional use. Further, the body corporate is not entitled to any concessions even though some residents are. Ergon Retail claim that the Body Corporate should only ‘charge’ what the residents are entitled to pay (ie Tariff 11) which means that the body corporate would fall short of billing enough to cover the power bill charged to them by Ergon Retail. To make up the shortfall, the body corporate would have to charge the residents increased body corporate fees to cover the difference – effectively meaning each resident would continue to pay the FULL business tariff. This is simply wrong. While the ‘rules’ may permit this to occur, it is wrong Ergon Retail are taking advantage of the situation.

PART 2
Ergon distribution provides an ‘offer of service and supply’ to a developer who proposed to develop a site. In the example above – 42 dwellings in a body corporate situation, Ergon offers a single point of supply or individually metered supply. Ergon used to incentivise development of unit complexes such as the one above by significantly discounting the ‘offer’ for a single point of supply over individual meters (obviously good for Ergon, only one meter to read, one account to manage, Body corporates deal with the day to day electrical account issues). So, now that the national rules have changed, it is unconscionable that Ergon
should be taking advantage of, and profiting by those rule changes that have created a situation they contributed to.

In relation to the papers first questions – 1.1-1.3:

The power policy framework in Australia is broken. There are too many bodies involved, too many policies, rules and regulations and some of them simply fail to speak to each other. The NEG is a classic example. All retailers are required to provide dispatchable power... how would a 100mWH battery in Hughenden help the NEM is a loadshedding position with demand in Victoria and SA? The NEG doesn’t say where that dispatchable power is required to be. QLD needs to be more involved at COAG.

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