18 June 2018

To Whom It May Concern

Thank you for the opportunity to comment on the Review of the Queensland Energy Legislation – Issues Paper.

Rheem Australia operates factories in NSW and Victoria and employs over 800 Australians across the country. Many hundreds more are involved in the supply and sale of our products which are sold under a range of brands including Rheem, Solahart, Aquamax, Vulcan and Raypak. With millions of our water heaters installed in Australian homes, we are heavily invested in energy regulation as it applies to appliances and tariffs. As such our comments are mainly restricted to the issues raised in Section 6 of the issues paper and we make the following comments in relation to the questions posed in the paper:

Section 6: Energy Efficiency and Demand Management

Rheem’s products have been subject to energy efficiency regulations for over two decades. Until the introduction of the Commonwealth Greenhouse and Energy Minimum Standards (GEMS) Act 2012, each state was responsible for enacting its own energy efficiency regulations. Sometimes this occurred in concert with other states, however regulations were often introduced independently or haphazardly across the country. The result was a patchwork of varying state based regulations that made it difficult and costly for local manufacturers and suppliers to service the market.

The GEMS Act, and the accompanying Inter Governmental Agreement (IGA), aligned state based energy efficiency regulations. As a result of the introduction of GEMS, new energy efficiency regulatory initiatives have been developed and implemented in a more ordered and coherent manner. For these reasons Rheem would counsel against returning to “state-based energy legislation to address issues of energy efficiency”.

With regard to demand management, Rheem is aware that this sits outside of the remit of GEMS Act and as such needs to be managed at a state level. Rheem’s view is that this is a rapidly changing space with multiple new entrants, platforms and capabilities likely to emerge over the next few years. Attempting to “pick winners” and legislate accordingly is likely to be result in a number of unintended consequences.
Given the dynamism of this space, Rheem would counsel against implementing firm rules into legislation requiring specific demand management requirements for energy retailers, householders or appliance suppliers. Instead Rheem takes the view that market participants should be rewarded for undertaking or participating in schemes that encourage demand management. As these schemes are likely to be tactical in nature, it is not appropriate that they should form part of the legislation under review. This approach also ensures the ability of market participants to respond effectively to new and emerging demand management technologies.

Our only other comment relates to the need for a maximum allowable period for the approval of new residential distributed energy solutions. Through our Solahart dealer network we arrange the installation of photo-voltaic (PV) systems and batteries. As this market continues to grow and more householders adopt these technologies, there is the potential for administrative bottlenecks to occur in the approval of new connections. We therefore believe a maximum approval period to approve (or reject) new installations should be imposed on the network providers.

If you wish to follow up on any issue I can be reached at [redacted] or on [redacted].

Yours sincerely

Gareth Jennings
GENERAL MANAGER CORPORATE AFFAIRS
RHEEM AUSTRALIA PTY LTD