## ENERGY ROADMAP AMENDMENT BILL 2025

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Committee Secretariat
Governance, Energy and Finance Committee
Queensland Parliament

**Submission on the Energy Roadmap Amendment Bill 2025**

Nexa Advisory welcomes the opportunity to comment on the *Energy Roadmap Amendment Bill 2025* (the Bill).

Nexa is an advisory firm with an unwavering focus to accelerate the clean energy transition in a way that provides secure, reliable, and affordable power for consumers of all types. Nexa Advisory is a team of experienced specialists in the energy market, policy and regulation design, stakeholder engagement, and advocacy. We work with public and private clients including renewable energy developers, investors and climate impact philanthropists to help them get Australia's clean energy transition done.

Queensland stands at a critical juncture in its energy transition. The choices made now will determine whether the State continues to attract the billions of dollars in private capital required to modernise the grid and replace ageing coal generation - or whether uncertainty and inconsistency drive investment elsewhere.

While the intent to streamline planning and facilitate infrastructure delivery is commendable, the Bill represents a significant shift away from clear, accountable, and investor-reassuring policy frameworks. In particular, the repeal of legislated renewable energy targets and the removal of statutory planning safeguards risk undermining Queensland's momentum towards a decarbonised energy system.

Without credible long-term signals, investors will withhold or divert capital to other jurisdictions such as Victoria, New South Wales, and South Australia - all of which maintain legislated renewable energy targets and clear transmission roadmaps.

The policy objectives of the Bill are to:

- repeal the current renewable energy targets under the *Energy (Renewable Transformation and Jobs) Act 2024 (*Energy Act*)* - renaming the act to the *Energy (Infrastructure Facilitation) Act 2024*
- update the energy system planning framework to implement a flexible and market-based approach
- replace the current requirements to describe changes in the operations of publicly owned coal-fired power stations and include capacity estimates to achieve renewable energy targets
- clarify public ownership provisions to confirm the State will retain 100 per cent public ownership of its existing operational generation assets

- repeal the Energy Industry Council, the Queensland Energy System Advisory Board and the Queensland Renewable Energy Jobs Advocate
- amend the Priority Transmission Investment (PTI) framework to improve its flexibility and efficiency
- rename the Renewable Energy Zone (REZ) framework as 'regional energy hubs' and remove unnecessary prescription and processes from the framework
- establish the mechanism for the responsible Ministers to facilitate and support the delivery of the CopperString project.

This submission highlights the key risks arising from the Bill and proposes amendments to ensure Queensland's energy transformation remains reliable, affordable and attractive to global capital.

### Repeal of Renewable Energy Targets

The repeal of Queensland's renewable energy targets represents a fundamental policy reversal. Legislated targets have provided a clear anchor for investment decisions and a measurable trajectory for emissions reduction. Their removal introduces substantial policy risk at a time when certainty is paramount.

This move signals to the market that Queensland may be deprioritising renewable development at a moment when other states are doubling down on clear, legislated commitments. The absence of targets weakens investor confidence, threatens project pipelines already in development, and risks capital flight to jurisdictions offering clearer regulatory direction.

As highlighted in our recent report[1], further delays in the renewable buildout will impose significant costs on households and businesses. Without accelerated renewable investment, Queensland will be forced to rely on an ageing and unreliable coal fleet - supplemented by expensive gas generation - pushing up prices and emissions alike. Our analysis shows that this would increase wholesale costs to $115.7 billion compared to an orderly transition – an increase of 21.5 per cent on average until 2050.

This analysis demonstrated that while gas will have a limited back-up role in the future, government support for this firming technology should underpin a commitment to close coal-fired generators on time. However, we note that that the Queensland Government's intention to run coal-fired generators to the 'end of their technical lives' (as outlined in the Queensland Energy Roadmap[2]) increases uncertainty around the closure of these assets, which will deter investors and developers over the next decade.

**Recommendations**

- Reinstate or replace renewable targets with an emissions-intensity or clean energy objective that gives the market a measurable pathway for new generation investment –

[1] Nexa Advisory, Gas-fired Electricity Generation is a Bridge, Not a Destination

[2] Queensland Government, Queensland Government Energy Roadmap 2025

reflecting the contribution of the electricity sector towards the Net Zero 2050 emissions reduction target.

- Require annual public reporting of renewable generation share and emissions to maintain accountability – relevant for several entities which play a role in the Queensland Energy Roadmap, such as QIC.

### Energy System Planning and Transparency

Replacing the *Queensland SuperGrid Infrastructure Blueprint* with a more discretionary *Energy System Outlook* reduces the level of rigour and transparency in system planning. Under the Bill, future decisions on timing and investment priorities could be made with limited public scrutiny and minimal consultation.

This shift risks misalignment with the Australian Energy Market Operator's (AEMO) Integrated System Plan (ISP), which remains the key national framework for transmission and generation coordination. A lack of alignment could increase project duplication, raise consumer costs and create inefficiencies in grid development.

We note the policy intent of the Bill for a flexible, market-based approach to transmission planning – which aligns with the previous work undertaken by Powerlink to pursue a 'market-led' approach. Nexa has supported market-led, intra-regional transmission development[3] – which would see existing and new large load proponents and new generators included in planning infrastructure projects.

**Recommendations**

- Require public consultation and publication of modelling, assumptions and criteria underpinning each *Energy System Outlook*.
- Ensure the *Energy System Outlook* is consistent with the ISP and subject to independent technical review.
- Mandate biennial reviews to assess whether system planning decisions are supporting affordability, reliability and emissions reduction.
- Ensure any 'market-led' approach is underpinned by transparent policy instruments that provide long-term investment signals.

### Public Ownership Provisions

The amendment to maintain 100% public ownership of existing generation assets but remove the previous 54% ownership target by 2035 introduces policy ambiguity. While it affirms the government's ownership of current assets, it provides little clarity on the role of private capital in developing new capacity - a critical component of the transition.

Without clear parameters for public–private participation, the State risks deterring new entrants, especially if investors perceive opaque or shifting ownership priorities.

[3] Nexa Advisory, Submission to Powerlink REZ design and development considerations, July 2024

At the same time, Queensland's ageing coal fleet - including the unreliable Callide C and Gladstone power stations - continues to suffer unplanned outages, placing enormous pressure on wholesale prices and system reliability.

We have previously discussed that unplanned outages across the ageing coal fleet drive sharp wholesale price volatility[4], the costs of which ultimately flow through to consumers' bills via higher spot prices, risk premiums and contracting costs[5].

Additionally, our recent report demonstrated that without accelerated investment in replacement capacity, consumers will face higher prices and increased exposure to gas generation, the most expensive form of electricity in the NEM.[6]

The Australian Energy Market Commission (AEMC) is currently considering a rule change that would make the costs of jurisdictional policies[7] – including payments to coal generators for life extensions, and potentially the associated costs unreliability for these assets - more explicit and transparent to market participants and consumers. This further underscores the need for an orderly, timely coal exit supported by renewables, storage and flexible firming, rather than continued reliance on increasingly unreliable coal units.

**Recommendations**

- Clarify the framework for new asset ownership, including thresholds for private participation and co-investment models.
- Commit to publishing an annual public ownership and investment report, detailing the mix of public, private and hybrid projects.
- Prioritise investment by Government-owned Corporations (GOCs) in renewables and storage to replace ageing coal, rather than prolonging costly reliance on gas.

### Removal of Advisory and Governance Bodies

The repeal of the *Energy Industry Council*, *Energy System Advisory Board*, and *Renewable Energy Jobs Advocate* removes structured mechanisms for independent advice and stakeholder engagement. These entities provided important transparency and accountability for workers, industry participants and the community.

Their removal consolidates power within government and diminishes independent oversight at a time when public trust and social licence are critical to successful delivery of large-scale energy infrastructure.

**Recommendations**

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[4] AER, Wholesale electricity market performance report 2024, December 2024

[5] Nexa Advisory, Coal performance in the NEM: Gladstone Power Station, Sept 2025

[6] Nexa Advisory, Gas-fired Electricity Generation is a Bridge, Not a Destination

[7] AEMC, Clarifying the treatment of jurisdictional policies and system costs in the ISP

- Establish a non-statutory expert advisory forum with representation from industry, unions, regional stakeholders and consumer advocates.
- Require annual public transition progress reports including job creation, retraining and community engagement outcomes.

### Priority Transmission Investment (PTI) Framework

Transmission continues to be the missing link - and one of the primary causes of delay - in Australia's energy transition. Queensland, however, holds a distinct advantage over other states through its continued public ownership of transmission and network infrastructure. This structure positions the State to move faster and more cohesively than fragmented, multi-operator jurisdictions.

While streamlining transmission investment processes can accelerate delivery, the Bill's proposal to transfer greater discretion to the Minister and remove the sunset clause risks weakening transparency and accountability. Without appropriate checks and clearly defined processes, there is a danger of politically influenced or sub-optimal investment decisions that could slow rather than speed up progress.

Queensland's transmission development to date - particularly through the Renewable Energy Zone framework - has been successful in attracting strong market interest because of Powerlink's collaborative, market-led approach. Working in partnership with other transmission companies, renewable energy developers, and investors to identify and deliver solutions that can be built faster has been a defining strength of the Queensland work to date. This approach should be reinforced and expanded, not diluted.

Market-led development is particularly important given the notably scaled back transmission investment and pumped hydro ambitions compared to the previous *Queensland SuperGrid Infrastructure Blueprint* – particularly given congestion noted by AEMO in the near-term (Queensland-New South Wales Interconnector and Central Queensland around Raglan) and medium-term (Central and South Queensland, around Calliope River and Gin Gin).[8]

**Recommendations**

- Require publication of all PTI assessments, cost–benefit analyses and decision rationales to maintain transparency.
- Continue to build on Powerlink's market-led approach, working with other transmission companies and project developers to coordinate timely, efficient delivery of new transmission.
- Reinstate a five-year review clause to evaluate the performance, efficiency and governance of the PTI framework and ensure it remains responsive to system needs and investor confidence.

### Regional Energy Hubs

[8] AEMO, 2025 Enhanced Locational Information (ELI) Report, July 2025

Renaming Renewable Energy Zones (REZ) as "Regional Energy Hubs" and removing prescriptive criteria may dilute their purpose and weaken the coordination of renewable generation and transmission investment. Without clear renewable integration objectives, the framework risks becoming a generic transmission planning tool rather than a driver of clean energy development.

We note the positive response of industry and communities to the REZ Readiness Assessments – as part of REZ Management Plans - undertaken by Powerlink to inform transmission planning through early stakeholder and community engagement.[9] This place-based early engagement approach should continue to be undertaken as part of the new 'hub' framework.

**Recommendations**

- Define regional energy hubs explicitly as renewable-led development zones with strong local benefit and community engagement requirements.
- Publish connection costs, access arrangements and transmission cost recovery methodologies to maintain transparency.
- Require community and environmental impact assessments prior to hub declaration.

### CopperString Project

While CopperString is a nationally significant infrastructure project, the Bill's provisions granting broad ministerial powers over declaration, regulation and cost recovery risk limiting transparency and independent scrutiny. We are concerned that without rigorous oversight, cost overruns could be passed through to consumers.

**Recommendations**

- Require independent efficiency assessments of each declared stage, with summary findings made public.
- Ensure oversight of economic regulation and transmission determinations.
- Commit to regular public reporting on the project's cost, schedule and economic impact.

### Concluding remarks

Queensland has the potential to position itself as a national energy leader, but achieving this requires clear, credible and stable policy. The Energy Roadmap Amendment Bill 2025, however, removes several mechanisms that currently provide certainty for investors, developers and communities.

[9] Renew Economy, Local communities back state's first renewable energy zone to offer future beyond coal, 30 September 2024

By abandoning legislated renewable energy targets and diluting detailed planning frameworks, the State risks undermining investor confidence, slowing project pipelines and increasing reliance on ageing coal and high-cost gas generation. As Nexa Advisory's recent analysis highlights - gas may serve as a short-term bridge, but it is not a destination. Prolonged dependence on gas and delays in renewable investment will make the transition slower, riskier and more expensive - directly impacting households and businesses through higher prices and reduced reliability.

Queensland is on an expensive and high-risk energy transition pathway. Ageing coal-fired power stations, including Callide and Gladstone, are increasingly unreliable, forcing the State to lean on costly gas unless renewable generation and transmission infrastructure are accelerated. Stating the intention to run these assets to the end of their technical lives is economically unfeasible – and will likely require significant government support to maintain commercial viability into the 2030s.

The Bill compounds this risk by introducing policy uncertainty, weakening planning transparency and concentrating decision-making without sufficient oversight factors. This is likely to slow replacement renewable generation and prompt capital flight to other states which uphold more stable, transparent frameworks.

Queensland's advantage lies in its state-owned transmission and network infrastructure, and in Powerlink's proven market-led, collaborative approach with developers and other transmission companies. Leveraging this model is essential to accelerate delivery, reduce costs and maintain investor confidence. Diluting these mechanisms or removing structured planning signals will make the transition slower, costlier and less coordinated.

To deliver an affordable, reliable, and socially equitable energy future, Queensland must restore policy clarity, reinforce governance and accelerate renewable generation and transmission investment. Without decisive action, the Bill risks making Queensland's energy transition significantly more expensive, uncertain and less competitive for all Queenslanders.

Thank you for the opportunity to provide a submission to the Committee. We welcome the opportunity to further discuss any aspect of our submission - please contact either myself on [redacted] or Jordan Ferrari, Director - Policy and Analysis, [redacted].

Yours Sincerely,

Stephanie Bashir
CEO and Principal
Nexa Advisory