ENERGY ROADMAP AMENDMENT BILL 2025

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The Committee Secretariat
Governance, Energy and Finance Committee
Parliament of Queensland
2A George St
Brisbane City QLD 4000

Dear Sir/Madam

<u>Inquiry into the Energy Roadmap Amendment Bill 2025</u>

I write on behalf of the Smart Energy Council to make a submission into the *Energy Roadmap Amendment Bill 2025* ("Bill").

About the Smart Energy Council

The Smart Energy Council (SEC) is the peak independent body for Australia's smart energy industry, representing over 750 residential, commercial, and large-scale renewable generation and storage companies, smart transport, manufacturing and stewardship organisations, as well as the renewable hydrogen and ammonia industry. We advocate for smart energy policy, innovation, and investment to accelerate Australia's transition to net zero.

We have a long record of effective climate campaigning — from promoting key clean energy institutions to advancing household electrification and fair energy policies. Our work brings together industry, community and policy leaders to ensure the renewable transition benefits all Australians. Internationally, the Council leads partnerships and trade missions across Asia and the Pacific, our CEO is Chair-elect of the Global Solar Council, and we help connect Australia's clean energy industry to global markets and climate initiatives.

Executive Summary

The Queensland Government Energy Roadmap 2025 ("Roadmap"), the *Planning (Social Impact and Community Benefit) and Other Legislation Amendment Bill 2025* and this

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Bill appear to form part of a deliberate strategy to undermine renewable energy development in Queensland. The repeal of legislated targets, the re-centralisation of ministerial discretion, and the open-ended extension of coal generation are not neutral policy adjustments — they are political choices that deliberately erode the investment certainty renewables rely on. The government has sought to frame this as "flexibility" and "technology neutrality," but in reality it is a return to the rhetoric of the climate wars: pitting renewables against reliability and using "community concern" as a pretext to delay or cancel projects. These measures have little to do with engineering or reliability and everything to do with ideology.

This approach is not driven by science, economics, or technology, but by politics. The best available modelling from AEMO, CSIRO and the International Energy Agency consistently shows that firmed renewables are the lowest-cost source of new electricity generation. By prolonging coal operations and stalling renewable investment, the Queensland Government will lock the state into a higher-cost, higher-risk energy system. Ageing coal assets are expensive to maintain and increasingly unreliable, while uncertainty around new projects raises financing costs for clean-energy developers — costs that will ultimately be passed through to consumers in higher electricity bills. Instead of securing affordability through clear, evidence-based planning, this Bill invites a new round of energy price volatility. Queenslanders will pay more for a slower, more uncertain transition driven by politics rather than by science or sound economics.

The Smart Energy Council urges the Committee to recommend amendments that:

- reinstate binding renewable and emissions targets;
- commit to a transparent and timely coal-exit strategy;
- retain Renewable Energy Zones with clear, accountable processes; and
- develop a Queensland Consumer Energy Strategy to expand rooftop solar, batteries, and electric-vehicle integration.

Queensland has the resources and public institutions to lead Australia's clean-energy transition — but leadership requires clear targets, certainty, and accountability.

Removing Renewable Energy Targets: A Retreat from Certainty

The most significant change in the Bill is the repeal of Queensland's legislated renewable energy targets — 70 per cent by 2032 and 80 per cent by 2035 — without any replacement mechanism.

Section 9 of the Bill deletes Part 2 of the *Energy (Renewable Transformation and Jobs) Act 2024*, removing all references to renewable energy targets and reporting. The Explanatory Notes confirm that "planning and investment… will no longer be driven by targets that narrowly focus on renewable energy production in Queensland."

This is not an administrative change — it is a fundamental policy reversal.

Renewable energy targets are not symbolic. They are the core investment signal around which the energy market, networks, and workforce plan their activities. They give both public and private proponents a clear framework for capital planning, risk allocation, and supply-chain coordination.

By removing these targets:

- The state loses the anchor for transmission planning through Powerlink's Optimal Infrastructure Pathway.

- Publicly-owned generators lose a clear mandate to prioritise renewable and firming investments.

- Private developers face an unquantifiable increase in risk due to uncertainty about future energy mix and market demand.

- The workforce transition — already underway — becomes less predictable for regional communities.

The claim that targets are "inflexible" ignores how effectively they have guided every successful renewable expansion in Australia and internationally. Every other major east coast jurisdiction — including Victoria, South Australia and New South Wales — continues to operate with clear renewable or emissions targets and clear targets for increased generation. Queensland now stands out as the only large east coast state without one. Without clear, measurable targets, the Energy Roadmap becomes a policy without accountability.

The retreat from certainty under this plan will lead to an inevitable corresponding retreat by investors, contrary to the alleged wish of the Government. As the Australian Government's Net Zero Plan states:

> *Capital is flowing most readily into jurisdictions with clear transition plans, frameworks that support sustainable finance, business and industry growth, and stable and consistent policy that enables long-term decision-making.*[1]

This Bill achieves none of those things.

Deliberate roadblocks to renewables

The Roadmap effectively acknowledges that the pace of large-scale renewables will slow and potentially halt under the policy settings of the Roadmap, including those being implemented via this Bill.

[1] Australia's Net Zero Plan, p21.

The modelling in the Roadmap shows that virtually all new large-scale renewable capacity likely to come on stream by 2030 will come from projects already underway – either financially committed, under construction or in commissioning.[2] In other words, this is capacity being developed under existing policy settings. The graphs on page 36 of the Roadmap show that new generation flattens for large scale wind and solar between 2030 and 2035. This is the effect of the new policy settings. The Roadmap is clear on why this will occur: "higher uptake of wind [is] primarily associated with lower coal capacity by 2035".[3] Conversely, higher coal capacity means a lower uptake of wind.

This is a policy and legislation that is designed to produce less renewable energy – as revealed by the Government's own modelling and forecasts.

The Roadmap states that: The pace and scale of investment [in renewables] will be determined by market dynamics ***and the outcomes of community engagement***. (emphasis added).

This appears to be more cover for a free-ranging power for the state government to cancel large-scale renewable energy projects without any evidence or objective reasoning – citing alleged community concerns. The same reasoning was used by the Queensland government to cancel the Forest Wind project - again on the basis of alleged community concern.

The provisions of this Bill, the Government's own modelling and its actions to date, further entrench this sense that the Government does not plan to bring on additional large-scale renewable energy.

Extending Coal: Undermining the Transition

The Bill and Roadmap propose that Queensland's coal-fired power stations will operate for their "technical life," with the option to extend further where "in the interests of system reliability." This language, seemingly neutral, is profoundly consequential. It replaces the clear, staged coal retirement pathway envisaged under the *Energy (Renewable Transformation and Jobs) Act 2024* with open-ended ministerial discretion. This approach sends a damaging message: that Queensland's energy policy is retreating to fossil dependence at the very moment when the rest of Australia and the world are moving away from it.

The consequences are immediate:

- Investment paralysis: Renewable developers cannot plan firming capacity when coal dispatch volumes are unknown.

- Financial uncertainty: Lenders apply higher risk premiums to jurisdictions with indefinite fossil extensions.

[2] Roadmap p.37.
[3] Roadmap p.36.

- Climate inconsistency: Extending coal is incompatible with Queensland's own 2050 net zero target and Australia's Paris commitments.

This was recognised by the draft report into the National Electricity Market wholesale market settings review, led by Professor Tim Nelson. As the report says:

> *The uncertainty over when large, ageing coal generators might exit the market makes investment decisions difficult. As very large and 'lumpy' sources of generation, coal generator exits are material to new investment revenue expectations.*[4]

and

> ***Uncertainty around the timing of coal plant retirements****, rapid technological changes and shifting policy settings makes it difficult for investors to assess future market conditions and commit to financing capital intensive long-term projects.*[5] [emphas

This policy and this Bill increase that risk.

There is a legitimate need to ensure reliability — but reliability should be secured through accelerated storage, flexible demand, and firming investment, not indefinite coal life extensions. Reliability and the provision of inertia and firming will eventually need to be provided by other technologies, including synchronous condensers, grid-forming inverters and other smart solutions.[6] This new technology requires investment to determine the most cost-efficient methods – something discouraged by the policy settings of this bill.

The Smart Energy Council urges the Government to commit to a transparent and timely coal exit strategy, based on published reliability criteria, replacement capacity milestones, and community transition plans — rather than case-by-case political decisions.

Gas Is Not a Transition Fuel

The Roadmap and this Bill entrench gas as a core part of Queensland's future energy system, portraying it as a necessary "firming fuel." The Roadmap projects an almost tripling of gas generation out to 2035 (3.5 GW to 8.3 GW) — a clear signal that the Government intends to prolong and expand fossil fuel use well into the next decade. This is entirely at odds with the state's own net-zero commitment and with every credible scientific and economic assessment of the energy transition. Gas is not a bridge; it is a barrier. Every dollar spent expanding gas-fired generation or new gas supply is a dollar diverted from renewables, storage and demand management — the

[4] p. 60.
[5] p. 70.
[6] *Ibid,* p.45.

very technologies that can deliver reliability without emissions. The only reason that a "firming fuel" may be required is because the Queensland government has cancelled projects like the Pioneer-Burdekin pumped-hydro project.

Far from improving energy security, expanding gas will undermine investor confidence in renewables by distorting market signals and locking the system into higher costs and higher emissions. Gas exposes Queensland to volatile global prices and long-term stranded asset risk, while discouraging private investment in clean firming technologies that are already cheaper and faster to deploy. Continuing to expand gas in 2025 is not transition policy; it is denial dressed up as pragmatism.

The Smart Energy Council strongly opposes this expansion and urges the Government to redirect public and private capital toward firmed renewables and zero-emissions technologies that offer genuine reliability and affordability.

Regional Energy Hubs: More Discretion, Less Transparency

The Bill replaces the existing Renewable Energy Zone (REZ) framework with Regional Energy Hubs. In theory, this could support coordinated regional investment. In practice, the changes remove transparency and embed new layers of discretion.

Under the old framework, Renewable Energy Zones were identified through technical studies by Powerlink and the Australian Energy Market Operator (AEMO), guided by clear criteria — available grid capacity, resource potential, and system needs. The new "hub" model has:

- no legislated process for selecting hub locations;
- no public consultation requirement;
- no mandated publication of connection schedules or cost-sharing frameworks; and
- an increased role for Ministerial direction and the QIC Investor Gateway, with minimal oversight.

Investors — both public and private — now face an opaque, discretionary process that can delay investment and increase costs.

Queensland's previous model was not perfect, but it offered predictability. The new framework offers neither speed nor certainty. Regional Energy Hubs should be defined in legislation with clear, published selection criteria, indicative capacity allocations, and transparent timelines for connection and investment decisions.

Consumer Energy: The Missing Foundation

Queensland has the highest uptake of rooftop solar in Australia, with solar in 40 per cent of household (more than one million solar panels on household roofs) generating around 7 GW of energy. Rooftop solar and emerging consumer energy resources (CER) — including batteries, electric vehicles and smart appliances — are essential to lowering bills, reducing emissions, and improving grid resilience.

Yet the Roadmap and Amendment Bill are strangely passive on CER, barely only observing that they are likely to grow, with no particular support from the Queensland government. The only new measure is a small "Supercharged Solar for Renters" initiative worth $26.3 million. While welcome, it is insufficient to address the scale of opportunity.

The Roadmap provides no plan for:

- feed-in tariff reform or export pricing safeguards;
- aggregation and orchestration of CERs into virtual power plants (VPPs);
- time-of-use or dynamic tariffs that reward flexibility;
- EV charging infrastructure including for heavy vehicles; or
- integration of electric vehicles for flexible demand including supporting vehicle to grid.

This is a missed opportunity. Queensland should be leading in consumer energy policy — not withdrawing from it. The Council recommends that the Government develop a Queensland Consumer Energy Strategy (2025–2030) with clear targets for rooftop solar, distributed storage, flexible demand, and EV integration. Consumer energy is the cheapest and fastest-growing form of clean energy generation. Supporting it reduces the cost of large-scale investment, creates skilled local jobs, and improves reliability.

Climate Change: Ignoring the Science

Queensland's energy sector is the state's largest source of emissions. Yet the Roadmap and Bill remove any mechanism to ensure alignment with Queensland's or Australia's climate commitments. By repealing renewable targets and extending coal, the state is moving away from a 1.5°C aligned trajectory. This is inconsistent with:

- Australia's national target of 43 per cent emissions reduction by 2030 and our target of a reduction buy between 62 per cent and 70 per cent by 2035;
- the Queensland Government's own net-zero-by-2050 goal; and
- the scientific consensus on the need to halve global emissions this decade.

Investors increasingly require that jurisdictions demonstrate climate consistency before committing capital. Queensland risks losing competitiveness as states like Victoria and NSW move ahead with clear targets and transparent coal retirement plans.

The Smart Energy Council recommends that Queensland adopt a statutory electricity emissions pathway, with annual public reporting and independent verification of its consistency with the Paris Agreement.

Governance and Accountability

Good governance is the foundation of credible policy. The Nelson Review and numerous industry submissions called for an independent implementation authority to oversee Queensland's energy reforms — to ensure long-term delivery beyond political cycles.

The Bill does the opposite. It abolishes advisory bodies like the Queensland Energy System Advisory Board and the Energy Industry Council, and consolidates more power under the Minister. Without independent oversight, the risk of short-term or politically motivated decisions increases. This erodes investor confidence and reduces public accountability.

Summary of Recommendations

The Smart Energy Council recommends that the Committee:

- Reject or substantially amend the Bill to restore renewable energy and emissions targets.
- Reinstate binding renewable energy and emissions reduction targets with annual public reporting.
- Develop a clear and timely coal exit strategy, based on transparent reliability and emissions criteria.
- Redirect support from gas to renewables.
- Retain Renewable Energy Zones.
- Develop a Queensland Consumer Energy Strategy (2025–2030) to expand rooftop solar, batteries, EV integration and flexible demand.
- Adopt a statutory emissions pathway for the electricity sector consistent with the 1.5°C goal.

Conclusion

Queensland has everything it needs to lead Australia's clean energy transformation — world-class solar resources, a skilled workforce, and strong public ownership of key assets.

But leadership requires direction.

The *Energy Roadmap Amendment Bill 2025* removes that direction. It replaces measurable targets with ministerial discretion, replaces accountability with bureaucracy, and replaces certainty with confusion. Without clear targets, reliable timelines, and credible governance, the Bill will slow renewable investment, extend coal dependence, and make Queensland's transition more expensive.

Queensland deserves better — a roadmap that accelerates the shift to clean, affordable, publicly-owned energy while providing certainty for workers, investors and communities. The Smart Energy Council urges the Committee to recommend major amendments to the Bill or to defer it until a clear, science-aligned, and investment-ready framework is in place.

Should you wish to discuss any of this submission further, please contact David McElrea, Chief Advocacy Officer at the Smart Energy Council.

Yours sincerely

David McElrea
Chief Advocacy Officer