



4 July 2017

Committee Secretary
Public Works and Utilities Committee
Parliament House
George Street
Brisbane Qld 4000

Dear Committee

Submission on *Electricity and Other Legislation (Batteries and Premium Feed-in Tariff) Amendment Bill 2017*

Re: Solar Bonus Scheme

TradeCoast Central Pty Ltd (**TradeCoast**) welcomes the opportunity to make a submission to the Public Works and Utilities Committee (**Committee**) on the *Electricity and Other Legislation (Batteries and Premium Feed-in Tariff) Amendment Bill 2017* (**Bill**).

This submission aims to provide feedback on the Bill's proposed changes to the regulatory arrangements for Solar Bonus Scheme (SBS) customers to clarify the specific circumstances in which additional generation and electricity storage devices are permitted.

This submission does not relate to any other component of the Bill.

1. DEPARTURE FROM QUEENSLAND PRODUCTIVITY AND ENERGEX RECOMMENDATIONS

The Solar Bonus Scheme amendments depart from the Queensland Productivity Commission's Recommendation No. 19 of the Electricity Pricing Inquiry and also the Energex submission to that enquiry which both recommended excluding existing Scheme participants who install a storage device.

Given the exact opposite of the Productivity Commission's and Energex's recommendations is being proposed (that is to allow customers to participate in the Solar Bonus Scheme after installing a battery) and the recommendation was made in order to reduce costs, the outcomes of the legislative amendment may conversely increase costs associated with the Solar Bonus Scheme by enabling SBS customers to install batteries given operational compliance with the requirements of the proposed legislation will likely be very difficult.

2. COST TO GOVERNMENT

The explanatory note supporting the legislative changes states "there is no direct cost to the State Government in relation to the implementation of the Bill".

This is incorrect given on 31 May 2017, the Honourable Mark Bailey MP (Minister for Energy, Biofuels and Water Supply) directed Energy Queensland to remove charges for the Solar Bonus Scheme from network prices.

3. CONFLICT WITH EXISTING GOVERNMENT BATTERY TRIALS

Currently the Queensland government owned entities, Energex and Ergon are investing significant resources (time and money) in conducting battery trials to explore the potential benefits that battery technology could provide regarding network efficiencies (i.e. reducing network costs which account for approximately 40% of grid purchased electricity costs).

These trials are exploring the possibility of accessing and remotely controlling batteries at peak times using similar existing practices for hot water and air conditioners. These trials are progressing with outcomes to date including creating a new Australian Standard for grid interface communications to enable battery operation in ways which provide network benefits. The outcomes of this Bill are contrary to the anticipated network benefits currently being researched by the Queensland distribution entities.

The legislative amendments being proposed which enable batteries to be installed whilst remaining eligible as a solar bonus scheme participant may adjust consumer behaviour to the detriment of the broader network. This will limit the potential benefits that battery technology will have within Queensland and is contrary to network outcomes being sought within the Energex and Ergon battery trials.

4. DISCRIMINATORY TREATMENT OF NEW SOLAR INSTALLATIONS BETWEEN SBS AND NON SBS CUSTOMERS

The proposed legislative amendment expressly allows existing eligible SBS customers to increase the number of solar panels installed, over and above the original installation and remain eligible for the 44c Feed in Tariff. This conflicts with non SBS customers whom are ineligible to receive the 44c Feed in Tariff.

It is recommended that to avoid significant cost increases associated with the scheme, the restriction should apply to any new panel solar installations and not allow any increase in panel capacity by existing SBS customers of their solar panel array up to the inverter capacity.

Yours sincerely

A large black rectangular box redacting the signature of R.W.J. Tucker.

R.W.J. Tucker
TradeCoast Central Pty Ltd
Director