

## Energy (Renewable Transformation and Jobs) Bill 2023

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# Energy (Renewable Transformation and Jobs) Bill 2023

**Leaving private CER to the private sector.**

Chris Lehmann & Georgia Holmes  
29 November 2023



Master Electricians Australia (MEA) is the trade association representing electrical contractors recognised by industry, government and the community as the electrical industry's leading business partner, knowledge source and advocate. Our website is [www.masterelectricians.com.au](http://www.masterelectricians.com.au)

MEA are strong advocates for electrification across Australia and therefore support endeavours to ensure grid is capable of efficiently integrating consumer energy resources (CER).

As a trade association representing small and medium (SME) private electrical contractors, we are pleased to see, and wish to provide a continued emphasis, on the amendments made to the *Energy (Renewable Transformation and Jobs) Bill 2023* (the Bill) regarding the importance of leaving private CER installation to the private sector.

MEA notes the Australian Energy Regulator's (AER) Ring-Fencing guideline under 3.1 Legal Separation where a "DNSP may provide distribution services and transmission services, but not provide other services"<sup>1</sup>. We stress the importance that when Government Owned Corporations (GOC) are actioning s 3(b) of the Bill, works actioned are strictly limited to the transmission networks. We expect to see CER installation and maintenance within private household and business premises to be fulfilled strictly by private licenced electrical contractors where possible. MEA accepts that there will be circumstances where GOCs, in living up to community service obligations in remote areas, may find that it is not commercially viable for a private provider to provide the services, but that there are many Electrical Contractors in the private market in Queensland that specialise in private CER and off-grid installation and maintenance. These people employ staff in regional and remote areas, and provide an efficient market competitive product.

MEA believes very strongly in the principle of private assets being worked on by the private sector, and GOCs (such as Distribution Network Service Providers) DNSPs living up to the promise of "supplier of last resort". In short, if works are to be carried out on private property, the default position should be for a licensed electrical contractor in the private sector to perform the electrical works and the GOC to perform the regulated works (metering etc).

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<sup>1</sup> Australian Energy Regulator *Ring-Fencing Guidelines Electricity Distribution, Version 3, November 2021, 7*

# Transport and Resources Committee Hearings – Queensland Energy Bill 2023.

Delivering an achievable energy transition with the most effective regulation possible.

Chris Lehmann 11<sup>th</sup> December 2023



## Introduction

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In June of 2023 MEA put in an online submission to the Energy (Renewable Transformation and Jobs bill) 2023, please find the pertinent information for the consideration of the committee based on the questions posed in the consultation.

## Submission

### **What is your feedback on the Queensland Renewable Energy Targets part of the exposure draft? -**

MEA are of the position that whilst we support the thrust of the Energy & Jobs Plan, MEA believe that the targets as they stand are overly optimistic, and potentially unachievable in light of capacity constraints in the labour market, and the issues around grid stability with a loss of rotational inertia in the system. MEA also note that the targets are heavily reliant on the delivery of pumped hydro storage in very tight time frames in an already capacity constrained infrastructure delivery market, and that there is no funding allocated for this in the recent Qld Budget.

### **What is your feedback on the Job Security Guarantee part of the exposure draft? –**

MEA support the broad goals of the guarantee to support training and skills development for transitioning workers, and to ensure that there are sufficient workers retained for the safe and reliable operation of coal-fired power stations. MEA believe however, that limiting the eligibility to only workers transferring to other publicly owned energy entities is restrictive and inequitable. We believe it should be expanded to include transfer/transition of workers from GOCs to privately run businesses, and also to support upskilling to all workers in the sector whether they be publicly or privately employed. Also, as MEA does not believe that there is a sufficient case for the creation of the separate proposed entities of the Energy Industry Council, and the Renewable Energy Jobs Advocate, that any fund should be solely based on funding energy industry training and job transitions.

### **What is your feedback on the Public Ownership part of the exposure draft? –**

MEA support the status quo of majority publicly owned energy infrastructure but believe that the government should not discourage or inhibit private investment and ownership in the energy generation sector, be it for private or public use. It is MEAs position that the government should remain open to PPPs in the energy generation sector. We believe that this should include the ability for everyday consumers to partner in delivering dispatchable storage with wide scale adoption of residential Battery Energy Storage (BESS), making the promise of Consumer Energy Resources (CER) referenced in the QEJP a reality.

**What is your feedback on the Queensland SuperGrid Infrastructure Blueprint part of the exposure draft? –**

MEA understand the need for building new transmission lines to support the committed large scale renewable energy generation capacity. However, we believe that the scale of this new transmission network and the associated cost could be reduced by placing more emphasis on the CER portions of the QEJP.

Maximising the underutilisation of rooftop PV, incentivising BESS at the residential and commercial point of use, promoting and developing innovative TOU Tariff products in concert with HEMS & BMS, speeding up the rollout of Smart Meters to older housing and commercial businesses, and more swiftly putting in place the regulations to allow for Vehicle to Grid energy transfer. Putting a greater priority on these parts of the QEJP will bring the generation and storage capacity closer to the source of use, ameliorating the need for extra HV transmission.

**What is your feedback on the Priority Transmission Investments part of the exposure draft? –**

As previously stated, MEA understand and support the need for transmission infrastructure but believe that more weight should be given to the CER solutions in the QEJP to ensure that the amount of expensive HV transmission is at the lowest level required and that energy is consumed closer to where it is generated wherever possible.

**What is your feedback on the Grid Supporting Technology part of the exposure draft? –**

MEA believe that this aspect of the QEJP plan needs more weight, and that the Grid Supporting Technologies such as BESS closer to the point of consumption could produce significant savings to infrastructure spending. Also, the role of synchronous condensers to mitigate the loss of rotational inertia is not adequately publicised and communicated to the public as a risk to grid stability.

**What is your feedback on the Queensland Energy System Advisory Board part of the exposure draft? –**

MEA believe that this function is unnecessary and can adequately be performed by existing governance structures in the energy market. The energy market is already overly regulated with Departments, Qangos and GOCs across different jurisdictions (AEMO, AER, AEMC, NEM, ACCC, NER, Ministerial Council on Energy, Energy Qld, Dept of Energy and Public Works, ESO, Qld Energy and Water Ombudsman, Office of Fair Trading, etc) and that this extra layer of governance and red tape is not required. The Minister has it in their remit to consult and seek advice already.

**What is your feedback on the Energy Industry Council part of the exposure draft? –**

In line with our statement about the Qld Energy Systems Advisory Board, MEA believe that this body would be another level of governance and red tape that is not necessary.

**What is your feedback on the Queensland Renewable Energy Jobs Advocate part of the exposure draft? –**

In line with previous arguments made in this paper, MEA believe that this body is another level of governance and red tape that is not necessary and its functions are already well covered by existing legislation and organs of government that regulate, advocate, and provide advice (Public Sector Act 2022, Qld Employment Standards, Modern Awards, Industrial Relations Act 2016, Energy Skills Qld, Construction Skills Qld, OIR, DESBT, Ombudsman, etc).

**Is the consultation period sufficient on technical elements of the REZ management plan?**

It is too short. The range of stakeholders, and the complexity involved in determination of REZs and access arrangements, warranted a longer consultation period.

**Are there any other considerations for the cost recovery framework?**

No. As long as the cost recovery principles are in line with the practices in the “revenue reset” process and the NER and other national organs such as AER, AEMO, and AEMC.

**How should the framework consider cumulative impacts, coordinated benefit sharing arrangements and REZ readiness? –**

MEA believe that social license and broader industry impacts in the community in the private sector need to be at the forefront of planning when considering issues around the REZs.

**Conclusion**

MEA is broadly supportive of the Energy Transition Agenda of the Qld Government and the QJEP. We are especially excited about the impacts that CER (also known as Distributed Energy Resources - DER) practices and technologies could have on the more efficient use of energy, reduction in peak demand (load shifting), consumption close to the point of generation, EVs and their ability to provide both load and storage capacity, private generation and storage aggregation (virtual power plants), and a shift to cost reflective TOU Tariffs to incentivise changes to consumer energy usage behaviour. In fact, we believe that some other stakeholders such as Energy Queensland with their recent consultation on V4 of the QECM, potentially hinders the progress towards CER in the Qld energy market with their restrictive approach towards EV charging.

MEA feel that whilst DER is in the QJEP, it does not have the same status as the big-picture, big infrastructure REZ projects that rely on large capital investment and give little control to the consumer over their electricity usage and cost. The recent announcement of the extremely modest Battery Booster Program bears this argument out.

Whilst MEA is supportive of the Job Security Fund, with the caveats outlined in our submission. MEA does not see the need for the formation of the three new proposed bodies Energy Systems Advisory Board, Energy Industry Council, or Renewable Energy Jobs Advocate, for the reasons outlined. MEA look forward to continuing to be involved in frank and productive consultation with the government on the QEJP and the Energy Transition.