



Speech by

**Mark Ryan**

**MEMBER FOR MORAYFIELD**

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## **GEO THERMAL ENERGY BILL**

**Mr RYAN** (Morayfield—ALP) (12.12 pm): I rise to contribute to the debate on the Geothermal Energy Bill. This bill is about balance—balancing our energy needs today with our needs for a sustainable future tomorrow; balancing the interests of agricultural landholders today with the economic demands of the diverse employment possibilities of tomorrow; balancing the current methods for the energy generation of today with the transitional pathways for the energy generation of tomorrow.

On this side of the House, we believe the mainstream science on climate change. We believe that climate change is happening now and we are committed to playing our part by expanding and investing in a Queensland based renewable energy sector. As someone committed to a sustainable future and as a member of the Queensland parliament's Environment and Resources Committee, I am pleased that this government is investing in new renewable energy technologies and strategies. By diversifying our state's energy generation sector and by lightening our reliance on fossil fuels, this state government is securing Queensland's energy future.

This bill supports the development of a geothermal industry in Queensland within a strict framework of promoting competition, protecting the interests of landholders and creating jobs for the future. As some members may know, geothermal energy or hot rocks energy is a virtually carbon dioxide emission free energy source which has the potential to produce more baseload energy than any other source of renewable energy generated in Queensland. This capacity is important not only for network stability purposes but because it fundamentally lightens our reliance on fossil fuels for baseload energy generation. This technology is a game changer.

This bill is also about supporting landholders and providing a regulatory framework for land access by geothermal explorers and producers. Our renewable energy future must be developed in partnership with our friends in the agricultural sector. As such, it is important that collaborative and constructive frameworks exist and all stakeholders are afforded the due respect and support that they deserve. I am pleased that a Land Access Code of Conduct will be introduced to promote transparency, equity and cooperation amongst stakeholders.

I would like to now spend some time discussing the amendments to the Electricity Act in relation to the retailer of last resort scheme. As members may know, the retailer of last resort scheme was enlivened last year when an electricity retailer, Jackgreen (International), was suspended from trading on the national market. A number of my constituents contacted me to discuss their experience with Jackgreen and their transition to a new retailer under the scheme. As members may know, the retailer of last resort scheme protects customers of an electricity retailer who may be suspended from the national electricity market or otherwise become unable to provide retail services.

The scheme ensures that customers of a failed retailer continue to receive electricity supply by automatically transferring them to another retailer, known as a retailer of last resort. However, there are not insignificant costs associated with providing a retailer of last resort service. Currently, the scheme provides for a retailer of last resort to recover costs by charging transferred customers a fee. This fee can only be charged if it is approved by the independent Queensland Competition Authority.

Following the successful operation of the scheme in respect of Jackgreen, I understand that some concerns were identified in respect of the scheme's cost recovery process. Accordingly, I am pleased to see that amendments contained in this bill will establish a more equitable cost recovery process. The proposed new process would spread costs of a retailer of last resort event across all Queensland customers through distributors' network charges. These events are rare, with only two occurring since the commencement of the national electricity market in 1998.

The amendments to the act will enable development of an improved cost recovery process to minimise costs to individual customers, whilst encouraging retailers to continue to offer the retailer of last resort service. It will also align Queensland's retailer of last resort scheme more closely with the proposed national scheme expected to be introduced in the middle of 2012 under Ministerial Council on Energy reforms. Details of the proposed new cost recovery process are being developed in consultation with stakeholders and will be implemented through an amendment to the Electricity Regulation.

I would like to conclude by noting the hard work of the minister, his staff and the departmental staff in respect of this bill. This is a good bill which looks to the future in a responsible, measured and balanced way. This is a bill which supports stakeholders and customers through a variety of sensible amendments. This is a bill which highlights this government's hard work of developing a diverse and secure renewable energy sector. That has to be good for the Queensland of today and for the Queensland of tomorrow. I commend the bill to the House and ask other members to support it.