



Notified Electricity Prices 2024-25
Queensland Competition Authority,
GPO Box 2257,
Brisbane, Qld, 4001

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19.01.2024

Dear Professor Menezes, Re: *Notified Electricity Prices 2024-25*

Cotton Australia is the peak body representing Australia's 1,500 cotton growers, of whom approximately one-third operate with the Ergon Electricity distribution and retail footprint.

Cotton Australia is a regular participant on the Queensland Competition Authority's (QCA) Regional Electricity price setting process.

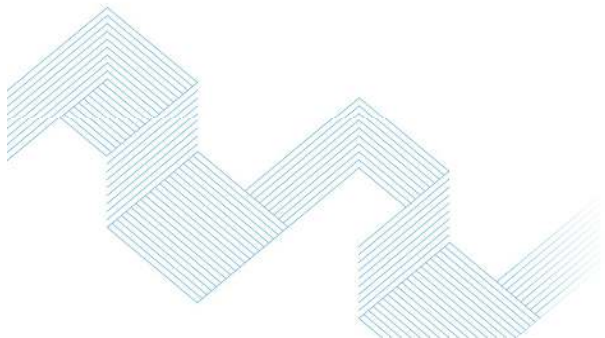
While each farm's energy mix varies, many of our producers are significant users of electricity, primarily in relation to irrigation. The cotton ginning process (first stage processing) is a large but seasonal user of electricity.

By the nature of irrigation licensing/regulation, many of our irrigator growers are "lumpy" users, whose electricity requirements are largely dictated to them by their irrigation license conditions (they can only pump when certain streamflow conditions are met), and that is most often determined by weather events.

The current tariff structures in Regional Queensland discriminate against "lumpy users" like irrigators, and this in turn is leading to irrigators exiting the electricity grid and contributing to the on-going death spiral – as more users leave the grid, the cost of electricity networks increase for the remaining customers, encouraging more users to leave; and so on.

Cotton Australia urges the QCA to use the full latitude of *Section 5.B of the Electricity (Ministerial) Delegation (No.1) 2023* and have full regard to the issues raised within this submission, that go past providing feedback on just the specific issues raised in the Interim Consultation Paper.

Cotton Australia has submitted on key issues over the years, and does not intend to go into detail in this submission, but provides the following summary:



COTTON AUSTRALIA LIMITED

Head Office Suite 4.01, 247 Coward St, Mascot NSW 2020 Australia

Phone + 61 2 9669 5222

Brisbane Level 8, 183 North Quay, Brisbane QLD 4000

Toowoomba Unit 3, 6 Rutledge St, Toowoomba QLD 4350

Narrabri Level 2, 2 Lloyd St, Narrabri NSW 2390

ABN 24 054 122 879

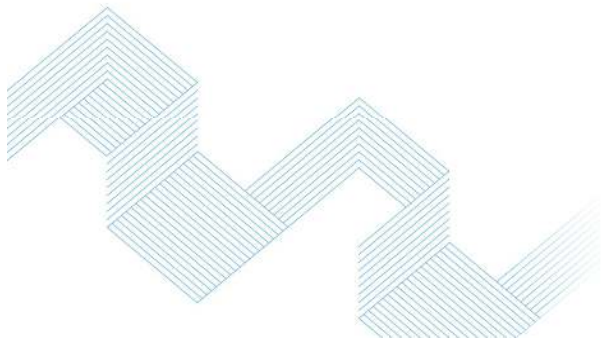
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- The Solar Bonus 44c/KwFiT, should not be funded by electricity users through inclusion in tariff charges, but this excessively generous programme should be funded by Government through consolidated revenue.
- Definition on Small Business and Large Business Customer – The current threshold of 100MW/h per annum is an unrealistically low threshold, that forces users onto demand-based tariffs, which in turn force them to migrate from the grid in search of more affordable energy options. Cotton Australia submits that Queensland should follow NSW and allow users to access consumption-based charging up to an annual usage of 160MW/hrs.
- Cotton Australia calls on Queensland to extend access to “solar-soaker” type tariffs such as 22C to large users.
- Irrigators at St George had been significantly disadvantaged by the decision by Ergon not to offer them the Dynamic Load Tariffs 60A and 60B. Lack of access to these tariffs places the irrigators at St George at a significant competitive to other producers across Queensland and is a significant driver for them to exit the grid and use alternative energy sources such a diesel.
- Cotton Australia calls on the QCA to recommend to government electricity reforms which would allow the development of micro-grids and peer-to-peer trading in Queensland.
- Cotton Australia calls on the QCA to recommend to the Queensland Government an amendment to legislation, that would recognise a *Small photovoltaic generator (Electricity Regulation 2006)* as one that cannot export more than 30kw, rather than one that is not more than 30kw in size. Cotton Australia is of the belief that when the Regulation was established, that it was an oversight when it did not recognise that inverters can have limiters that will restrict the export to 30kw or less. The current strict adoption of the Regulations by Ergon is discriminating against farmers who have invested in solar, to offset their draw on the grid, but cannot access payment for a portion of the excess energy their systems produce.

Issues Raised specifically in the Discussion Paper

1. Default retail tariff arrangements for small customers

Cotton Australia would be very concerned about any move away from the default tariff arrangements, unless very clear safeguards were put in place.



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It must be recognised that the default tariffs are not necessarily the best tariff for a user, and therefore Cotton Australia believes that as a minimum the retailer must be able to demonstrate a genuine commitment to understanding the customers' needs and likely use patterns, and then specifically recommend a tariff for the customer to commence with. Further, all retail customers should be provided with every bill, a very clear tariff comparison showing what their bill was, and what it could have been if it adopted an alternative tariff that was cheapest.

In cases where the customer does not have a smart meter, the retailer should also be obliged to actively educate the customer that further savings might be possible, depending on their usage profile, if the customer had a smart meter.

2. Small customer metering services

Cotton Australia reserves comment on this issue and will seek further information from the Queensland Competition Authority. Cotton Australia is highly supportive of the roll-out of digital meters in a cost-effective manner.

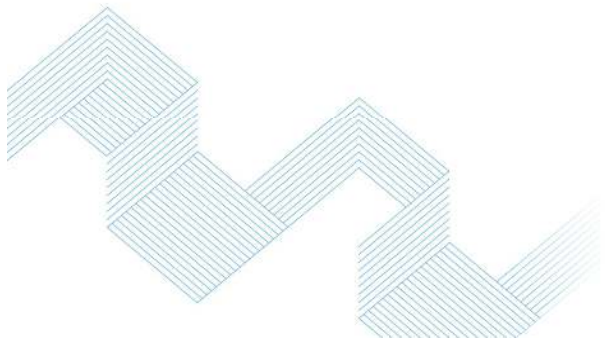
3. Manual meter read fee – type 4A meters

Cotton Australia is generally supportive of this approach, if there are safeguards, that ensure that there is a genuine option for remote meter reading, and in the event of a disagreement around the actual effectiveness of remote reading on a particular site, there is an appeal process.

Further, Cotton Australia requests that the QCA get data from Ergon as to what percentage of meter reads/bills are now based on estimates. While Cotton Australia has no hard data, it has noticed what it thinks is a general trend of increasing of estimates, and has heard reports where estimated bills have far exceeded what an actual meter read would have resulted in.

Cotton Australia thanks the QCA for the opportunity to submit, and would welcome any questions to Michael Murray, General manager, Cotton Australia – 0427 707 868 or michalm@cotton.org.au .

**Michael Murray,
General Manager
19.01.2024**



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