

20 March 2026



Mr Charles Millstead
Chief Executive Officer
Queensland Competition Authority
GPO Box 2257
Brisbane QLD 4001

Dear Mr Millstead,

Energy Queensland submission to the Queensland Competition Authority's Interim Consultation Notice and Issues Paper on proposed amendments to the Guaranteed Service Levels scheme.

Energy Queensland Limited (Energy Queensland) welcomes the opportunity to provide comment to the Queensland Competition Authority (QCA) in response to its Interim Consultation Notice and Issues Paper on proposed amendments to the Guaranteed Service Levels (GSL) scheme.

This submission is provided by Energy Queensland on behalf of its related entities:

- distribution network service providers (DNSPs), Energex Limited (Energex) and Ergon Energy Corporation Limited (Ergon Energy Network); and
- retailer, Ergon Energy Queensland Pty Ltd.

We appreciate the QCA's review of Energex and Ergon Energy Network's GSL scheme proposals and the QCA's timely engagement with stakeholders. In that context, we offer the following points for consideration.

GSL payment method

Energy Queensland notes the QCA Paper's three potential approaches to operationalise the proposed option to credit GSL payments to customers' retail bills, and the QCA's point that these are not mutually exclusive and could be implemented individually or in combination. We look forward to reviewing the detailed design, including how the practical implications of each option will be addressed and the proposed timeframes for implementation.

As the QCA's Paper highlights, a number of technical and operational decisions will be essential for successful implementation of this proposed GSL payment option. These include agreeing on how to match customers, how to reconcile payments, and how often credits are applied. Customer-facing processes will also need to be defined, such as how GSL credits appear on retail bills, how DNSPs notify customers, how customer enquiries and complaints are managed, and how credits are handled when retail accounts have closed or moved.

In our view, detailed arrangements adopted in other jurisdictions provide a useful reference point for implementation in Queensland.

GSL exclusions

This proposal has primarily emerged as a result of significant weather events over the past few years, such as Tropical Cyclone Alfred in South East Queensland, which have caused widespread network damage, large-scale customer outages and prolonged restoration periods. Such events typically involve circumstances where no operational network exists in affected areas and Disaster Recovery Funding Arrangements are activated. In these situations, DNSP resources are necessarily and appropriately prioritised toward restoring supply to large numbers, in some cases hundreds of thousands, of existing customers under emergency response arrangements.

Requiring a DNSP to complete a new connection or reconnection within GSL timeframes in these circumstances creates unreasonable and inequitable outcomes for the following reasons:

- Physical inability to complete a new connection or reconnection: It is not physically possible to complete such connections when there is no supply available. Supply is required to undertake mandatory safety checks, commissioning, and testing before a connection can be energised. In the absence of an operational network, these activities cannot occur, regardless of DNSP resourcing or intent.
- Misalignment with emergency response priorities: During major events, DNSP resources must be focused on restoring supply to existing customers in line with safety, criticality, and community impact. Prioritising a new connection or reconnection solely to avoid a GSL payment would be inconsistent with emergency management principles and community expectations.
- Inequitable customer outcomes: Under current arrangements, a new connection or reconnection customer may receive a GSL payment during a major weather event, while neighbouring customers with established supply—who are also without power for extended periods—do not receive a reliability GSL due to the exclusions applying during declared disaster events. This creates an inequitable outcome where customers who previously had no supply receive GSL payments, while existing customers experiencing prolonged outages do not.
- Inconsistency with the intent of GSLs: GSLs are intended to address service failures within the reasonable control of the DNSP. Declared disaster events that result in widespread network damage are explicitly outside normal operational control. Applying GSL penalties on DNSPs for new connections and reconnections in these circumstances undermines the intent of the framework.

Should the QCA require additional information or wish to discuss any aspect of this submission, please contact either myself, or Andrew Bozin on [REDACTED].

Yours sincerely

[Redacted signature]

Alena Christmas
Manager Regulatory Affairs

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