

18 January 2022

Mr Charles Millstead
Chief Executive Officer
Queensland Competition Authority
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Dear Sir,

Bundaberg Regional Irrigators Group (BRIG) was established to represent irrigators in the Bundaberg district across a range of food and fibre commodity groups.

The water energy nexus is not well understood outside the irrigated farming community, however water and energy are the most important inputs to our various cropping systems.

BRIG members farm on approximately 36,000ha and use an estimated 1,100 irrigation pumps and associated distribution systems to irrigate a variety of crops. A significant percentage of these systems (circa 90%) are currently powered by grid supplied electricity.

Energy Consumers Australia (ECA) have defined the role of the grid supplied electricity system as providing *comfortable homes* and *competitive businesses* and that in order to achieve this role the system needs to be *affordable, individualised* and *optimised*.

Affordable

Our members are all attempting to operate competitive business and we have identified that an affordable tariff is one that has a ceiling of 16 cents per kilowatt hour. This is based on a network charge (N) not exceeding 8 cents and a retail charge not exceeding 8 cents. (GST exc).

In the past QCA have recommended that the CSO be paid to ERGON Network rather than ERGON retail in order to open up retail competition.

We acknowledge that this is outside the scope of the delegation but strongly believe it is another matter that QCA should consider.

We also request that QCA investigate and clearly identify the total revenue collected by the Jurisdictional Scheme components embedded in the Network charges applied to all customers to fund the Solar Bonus 44cFiT. This subsidy significantly impacts our members and our view is that it should be a separate CSO funded from Treasury, as was the case in the three years to 2019-20.

Individualising and Optimising Existing Tariffs

The ability to access the dynamically operated load control tariff series for irrigators (T33, T34, T60A and T60B) is a working example of optimisation and has been welcomed by our members, particularly those that produce irrigated sugarcane with systems other than furrow (flood) irrigation.¹

Agronomically sugarcane is significantly more robust than most crops and is able to sustain short periods of no irrigation better than crops such as snow peas or cut flowers. Whilst uptake of these tariffs by our cane farmers has been solid, there is reluctance by some of the horticulture farmers and cane farmers with furrow (flood) systems to use the load control options because of the potential risk of not having water at a critical time.

To alleviate those concerns we are currently investigating the potential for battery backup to cover periods when the Load Control is activated to see whether it is a viable option.

We note that Minister de Brenni has drawn particular reference to Tariff 12B (Residential TOU as having potential to be a solar soaker tariff.

We would request that QCA investigate the potential for Tariff 22B to become a solar soaker for irrigators and all other small business customers.

Including a lower day time rate for this tariff would have multiple benefits, i.e. encouraging greater energy usage during the day and in turn assisting with emerging issues associated with minimum system load, reduce network demand pressures in the evening and provide small business customers with increased tariff choices to enable improved productivity.

We also suggest that consideration be given to allow SAC irrigation customers that are classified as large that operate in the 100 to 160 MWh bracket be able to access this tariff.

We are willing to assist QCA, the Department and Energy Queensland in delivering this option if required.

Please call should you require further information or clarification.



Dale Holliss
Director / Secretary

¹ With furrow irrigation as the water progresses down the row it infiltrates the soil. When the soil is sufficiently wet water moves by gravity down the row. If a shut off occurs and it is long enough for the soil to dry out then you have to start again i.e. If the row is 1 km long it can take up to 15 hours to get the water through to the other end. If it stops half way through and dries out you need to start over again.