

Submission

18 September 2020

Queensland Competition Authority
GPO Box 2257
BRISBANE QLD 4001

Submitted online: <http://www.qca.org.au/Submissions>

Dear Sir/Madam

Re: QCA Draft Determination: Supplementary Review, Regulated Retail Electricity Prices for 2020-21 (August 2020)

Cotton Australia is the peak body representing Queensland cotton growers and cotton ginners. For more than a decade it has been very heavily interested in energy costs and is a regular submitter to the Queensland Competition Authority's (QCA) Electricity Price Determination processes, and welcomes the opportunity to make this brief submission.

Cotton Australia is also an active member of the Queensland Farmers' Federation (QFF) and endorses its submission. While the views of Cotton Australia and QFF are very closely aligned, for the avoidance of doubt, should there be any variation in views put in both submissions, the view of Cotton Australia is the view expressed in this submission.

This submission makes three key recommendations:

-) Cotton Australia seeks a recommendation from the QCA that all areas should have the option of utilising T 60 A & B, and the network and the Queensland Government take immediate steps to ensure the required equipment is installed.*
-) That the QCA comprehensively review the proposed fixed charge for T60A, with the aim of a very significant reduction. The final report should include a comprehensive explanation as to how the final charge was determined.*
-) T60A and T60B should be available to both CAC and SAC customers.*

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General Comments

Cotton Australia welcomed the decision of the Queensland Government to direct this supplementary Determination, in particular to price Tariffs 34, 60A and 60B.

Cotton Australia is disappointed that this Determination was not extended to price the replacement Tariffs for the soon-to-be-obsolete T62, 65 and 66, and reluctantly calls for these obsolete tariffs to have their life extended one year to June 30th 2022, to allow electricity users 12 months to actively compare tariffs prior to losing access to T62, 65 and 66.

Cotton Australia is a supporter of dynamic interruptible load tariffs as a solution for some irrigation and associated industry consumers, providing a largely cost-effective alternative, but at the expense of reliability. However, they will not suit all customers.

Cotton Australia is bitterly disappointed, that it only learnt this month that T60 A & B will not be available in many western areas, including the important irrigation communities of St George and Dirranbandi, due to the fact that the required signalling equipment is not installed. Cotton Australia's extreme disappointment stems from the fact that these tariffs have been discussed for years, and at numerous meetings with Ergon, Energy Queensland, the Queensland Minister and the Department, the situation of St George and Dirranbandi irrigators was regularly cited and these tariffs were touted as a viable alternative. Not once did a representative of the Network or Government speak up and say it would not be available. Cotton Australia considers this a massive breach of trust.

Recommendation: Cotton Australia seeks a recommendation from the QCA that all areas should have the option of utilising T60 A & B, and the Network and the Queensland Government take immediate steps to ensure the required equipment is installed.

Pricing

Cotton Australia is extremely concerned about the proposed pricing of the T60A fixed charge, which is in excess of \$40 per day. Cotton Australia calls on the QCA to urgently review this pricing, as it appears the equivalent tariff within the Energex Network has a daily charge of just \$3.56.

Recommendation: That the QCA comprehensively review the proposed fixed charge for T60A, with the aim of implementing a very significant reduction. The final report should include a comprehensive explanation as to how the final charge was determined.

CAC and SAC Large

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Due to the highly seasonal nature of cotton ginning, Cotton Australia calls on the QCA to make it publicly clear that none of its recommendations restrict users from being able to swap tariffs during the calendar year, to allow the selection of appropriate tariffs for the ginning season and the maintenance season, and further, T60A and 60B should be available to both CAC and SAC (Large) customers. This will provide ginners with an opportunity to select seasonally suitable tariffs and ensure affordability of grid-supplied electricity.

Recommendation: T60A and T60B should be available to both CAC and SAC customers.

For further information on this submission please contact Cotton Australia General Manager Michael Murray – 0427 707 868 or michaelm@cotton.org.au.

Yours sincerely,



Michael Murray,
General Manager

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