

18 January 2024



Queensland Competition Authority  
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Dear Sir / Madam

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.

We are very pleased that Minister de Brenni has restated the commitment to reducing cost of living pressures by ensuring affordable electricity prices for Queensland households and businesses. We also note and support that QCA has been requested to consider applying the same cost build up methodologies as used in the 2023/24 determination.

The current suite of tariff options available from ERGON retail allows sufficient choice and flexibility to enable our members to adapt crop water requirements and energy supply to optimise yield.

Affordability is still critical.










Our members are all attempting to operate competitive small businesses and have identified that an affordable tariff is one that has a ceiling of sixteen cents per kilowatt hour (16c/kWh).

This is based on a network charge (N) not exceeding eight cents and a retail charge (R) not exceeding eight cents (GST exc).

We understand that the N component in the QCA cost buildup methodology is treated as a pass through and are aware that many of the tariff options available to our members have a N pass through value well below 8c/kWh.

For the period 16 Jan 2023 to date the OpenNEM organisation lists the annual average market value per MWh for various sources of energy supplied in Queensland.

<https://opennem.org.au/energy/nem/?range=7d&interval=30m&view=discrete-time>

16 Jan 2023 – 21 Jan 2024			
	Energy GWh	Contribution to demand	Av.Value \$/MWh
<b>Sources</b>			
 Solar	13,627	21.7%	\$29.61
 Wind	2,641	4.2%	\$86.05
 Hydro	1,315	2.1%	\$140.14
 Battery (Discharging)	57	0.09%	\$201.88
 Gas	4,757	7.6%	\$161.03
 Distillate	20.9	0.03%	\$546.36
 Bioenergy	159	0.3%	\$74.69
 Coal	43,132	68.7%	\$100.21
 Imports	578	0.9%	-\$87.23

The data from OpenNEM clearly shows that a tariff ceiling of 16c/kWh, (\$160/MWh) is achievable.

### **Metering Costs**

We note that the delegation requests QCA to consider smart meter deployment volumes in regional Queensland.

BRIG is very supportive of smart meter deployment due to the necessity of having such a meter to access the controlled load and “solar soak” tariffs which have become an integral component to our management of the water / energy nexus.

For a number of ERGON customers significant switchboard upgrades are required to get a smart meter installed and the costs can range from \$1,800 to \$20,000.

We are aware that the AER has granted a waiver to Endeavour Energy that will allow the NSW distribution network company to upgrade meters and that the aim is to reduce peak electricity demand, give participants access to innovative energy services, and lower network costs for consumers.

We request that the QCA consider methodology and funding options for switchboard upgrades to allow for an increased rate of smart meter uptake for small business customers.

Additional suggestions

We suggest that consideration be given to allow SAC irrigation customers classified as large that operate in the 100 to 160MWh bracket access to T22C.

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

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

Similarly, the Reliability and Emergency Reserve Trader (RERT) costs should be clearly identified in the QCA cost stack and met by a separate CSO funded from Treasury.

Please call should you require further information or clarification.

A handwritten signature in black ink, appearing to read 'D. Holliss', with a stylized, scribbled flourish to the right.

Dale Holliss  
Director / Secretary  
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