Toowoomba Public Hearing
5 April 2016

Summary of Discussion

The Queensland Productivity Commission held a Public Hearing in Toowoomba on 5 April 2016 to discuss its inquiries into electricity pricing and solar feed-in tariffs, following publication of the Draft Reports. The forum provided interested parties with the opportunity to present evidence and views to the Commission, relevant to the two inquiries.

A summary of those views and associated discussion, prepared by officers from the Commission, is presented below.

Presentation by Mark Tranter (Alternative Technology Association)

Key points

- The network cost component on his bill has increased by 483 per cent from March 2009 to March 2016 which is 'unconscionable'. Tariff 11 has increased by around 50 per cent over this same period.
- Over the same time, the feed-in tariff (premium) has remained at the same rate but due to degradation of panels etc, the solar credit has declined over this period.
- A fair solar feed-in tariff is not possible when you have some people getting the premium and everybody else getting a much lower rate.
- Network charges for solar customers should be adjusted to reflect that their exports are likely being used in local areas, and therefore not using the wider network infrastructure.
- It is unlikely, as ACIL finds, that the solar target will be reached without a feed in tariff. Government intervention will be required to reach the target.
- Some of the costs of the UTP could be used to examine localised solutions using generation or distributed energy for regional or isolated communities.
- Localised distribution was the model years ago, and it should be reconsidered as a priority for some areas.
- The network businesses are extremely profitable businesses, and yet the feed-in tariffs cannot be paid at a reasonable rate.
- Battery and electric vehicles should have access to lower rates for charging overnight.
- Virtual net metering has the capacity to restore the importance of the grid and could also be used to assist vulnerable customers through lower priced or donated exports.

Presentation by Michael Murray (Cotton Australia)

Key points

- The price-setting system is broken and needs to be overhauled as there are no adequate incentives for the businesses to improve their efficiency.
- Tariff 62 has gone up around 100 per cent since 2008, while the CPI has only increased by 25 per cent.
- The UTP should be based on the average discounted price available in SEQ, and not the regulated price. Headroom should be removed and discounts should be funded through efficiencies.
- The removal of transitional tariffs will have dire consequences for a number of growers and will result in moving to other alternatives such as diesel. Some users will be better off and some will be marginal. An education program/calculator could assist.
- Local solutions, such as mini networks, can be used to deliver electricity at a cheaper price and therefore reduce the cost of the uniform tariff policy.
- Renewables should stand on their own two feet with no subsidisation. The cost of the SBS should be out of general government revenue rather than paid for by all users.

Presentation by Frank Ondrus (Householder's Options to Protect the Environment)

Key points

- Greenhouse gas pollution is a major issue and we need to be transitioning from the old fossil fuel-based industries to renewable energy.
- Governments provide many incentives for the fossil fuel industry and electricity generators. They should be looking at doing similar for the renewable energy sector.

Comments from other attendees

- There is a potential link between irrigation and tariff costs that could be a severe limitation to the state's actual agricultural expansion.
- The peak and off-peak tariff periods should be examined to ensure they are appropriate and provide an incentive for irrigators to improve their energy productivity.
- There is an incongruence between the forecasts for electricity, government policies and other processes that have reduced energy demand.

- The fixed component of electricity bills has gone up substantially, and the ability of electricity users to control electricity costs has diminished because they are paying a higher charge whether or not they use electricity.