



Townsville Public Hearing

12 April 2016

Summary of Discussion

The Queensland Productivity Commission held a Public Hearing in Townsville on 12 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 John Debbins

Key points

- Queensland should promote the uptake of renewable energy. Traditional energy sources can be dirty, dangerous and hazardous to work with and secure.
- Queensland has a natural advantage with solar resources and the highest uptake of solar PV technologies.
- Moving to renewable energy sources is technically feasible and economically sensible.
- People and businesses can save money with solar, if they modify their behaviour.
- Locally sourced generation provides greater energy security.
- The Solar Bonus Scheme has been successful in encouraging rooftop PV uptake in Townsville and regional Queensland.
- Supply will be more cost effective when new (third party) market participants enter the market, so barriers to entry should be removed.
- The cost of rooftop systems has fallen dramatically — later adopters tend to have larger systems.
- It is not clear how the market will look, even in the near future — new technologies are being continuously updated and improved.
- Technical and financial barriers can prevent small scale renewable generators (including some large domestic systems) from feeding into the grid, but these are not insurmountable.
- Current infrastructure and regulatory barriers also exist that will need to be dealt with.
- Homeowners may be willing to take a much lower return on investment than commercial investors for new technologies (batteries).

- Government incentives, tax breaks and subsidies can push up costs for consumers, because the market adapts and includes them in their pricing strategies.

Presentation by Jewel Vercoe Rainbow

Key points

- Electricity is an essential service that everyone must be able to afford without incurring undue hardship.
- High electricity service charges cause real budget stress to people who are living on extremely tight budgets.
- Significant increases in service charges have effectively doubled her electricity bill.
- There would be benefit from forensic auditing of what power companies do with the service charge payments.
- The Queensland Government should act on behalf of low income consumers and businesses to reduce or overturn the right of the energy companies to impose a service charge (of that size) at all.
- The community wants outcomes that are seen in their electricity bills, not further studies, reports and hearings.

Comments from other attendees

- Electricity bills have increased substantially.
- The uptake of renewables is not simply driven by financial considerations – it also is heavily influenced by peoples’ environmental concerns.
- There is significant research going into batteries and battery storage.
- Batteries have the potential to save the energy for use in peak periods or at night time, but may also have environmental costs on disposal. Understanding the whole of life cost for different battery types is important.
- Introducing daylight saving will help move the evening peak period (cooking, showering, air-conditioning when they get home) into daylight hours to better match (solar) generation with use.
- There is a concern over the level of returns being generated by network businesses for the Queensland Government – especially when these are made through electricity bills and at the expense of people on low incomes, facing hardship.
- High market concentration in generation drives high electricity wholesale prices.
- To be effective, the proposed genco Code of Conduct would need to be developed externally to, but in consultation with, the generators.
- The non-reversion policy should be abolished as a matter of priority.