



Clean Energy Council submission to the Review of Queensland Energy Legislation

The Clean Energy Council (CEC) welcomes the opportunity to provide feedback on the Queensland Government's review of energy legislation.

The CEC is the peak body for the clean energy industry in Australia. We represent and work with hundreds of leading businesses operating in solar, wind, hydro, bioenergy, marine and geothermal energy, energy storage and energy efficiency along with more than 6,000 solar installers. We are committed to accelerating the transformation of Australia's energy system to one that is smarter and cleaner.

This submission responds to the following specific issues identified as part of the legislation review:

- Should the regional feed-in tariff (FiT) be further expanded to capture additional small-scale renewable technology and batteries as well as possibly increase the capacity limit?
- Should changes be made to capture extra-low voltage battery system in addition to other battery systems?
- What are your views on the best mechanism for ensuring safe deployment of solar and other technology as the RET deeming continues to decrease and the incentives for using an accredited installer falls away?
- What newly emerging issues for batteries or new technology should the review consider?

We would be very happy to discuss these issues in further detail. We look forward to contributing further to this review.

Should the regional feed-in tariff be further expanded to capture additional small-scale renewable technology and batteries as well as possibly increase the capacity limit?

When considering the regional feed-in tariff (FiT) arrangements we would urge separate consideration of legacy arrangements and arrangements for new connections and agreements entered since the cessation of the Solar Bonus Scheme's 44 cent FiT offer. With respect to the legacy Solar Bonus Scheme, the government should continue to honour the terms of FiT arrangements entered already. For new connections or for arrangements entered since the cessation of the Solar Bonus Scheme, the CEC would strongly support the expansion of the regional feed-in tariff (FiT) to capture additional small-scale renewable technology and batteries. We would also support an increase to the capacity limit and allowing participation in FiT schemes by virtual power plants.

The FiT arrangements for new connections should not be limited to solar PV. New FiT arrangements should aim to remunerate distributed energy resources (DER) in a benefit-reflective manner. This means rewarding the value of the energy provided by the DER to the system at the location and time it is supplied.

The government could consider the approach taken by Victoria's Andrews Government, which introduced a regulatory framework to enable and encourage time-of-export FiTs. Time-of-export FiTs provide an incentive for DER exports when wholesale prices are high and help to reduce electricity prices for all users.

Should changes be made to capture extra-low voltage battery system in addition to other battery systems?

Yes.

It is our understanding that in Queensland battery storage is largely regulated through legislation for electrical equipment and generating plant and that some batteries which operate at extra-low voltage (ie. below up to 50 V AC or 120 V ripple-free DC) fall outside the scope of the definition of electrical equipment. This is (presumably) an unintended consequence and we would encourage the Queensland government to address this gap in the regulations.

What are your views on the best mechanism for ensuring safe deployment of solar and other technology as the RET deeming continues to decrease and the incentives for using an accredited installer falls away?

Queensland legislation should mandate the safety requirements that are currently a condition of eligibility for the Small-scale Renewable Energy (SRES).

SRES deeming will progressively decrease during the 2020s and decline to zero by the end of 2030. The voluntary system of accreditation of installers and products relies for its effectiveness on the incentives provided by the SRES. The CEC is concerned that the safety of consumers and workers would be put at risk if there are no alternatives to either provide an incentive and/or a penalty for safety compliance.

To some extent, compliance regarding use of accredited installers and solar equipment can be achieved through distribution network service providers (DNSPs) enforcement via their grid connection approval processes. However, this is not a complete solution. Stand-alone power systems (SAPS) are expected to become more widespread in the 2020s, following the implementation of the Australian Energy Market Commission (AEMC) Review of the Regulatory Framework for SAPS. DNSPs will not be able to enforce safety requirements for third party SAPS because they will not require approval for grid connection. It will be important to ensure that regulation of safety is extended to third party SAPS providers.

The most effective way to ensure the safety of consumers and workers as the SRES declines and the market evolves would be for state legislation to mandate equivalent protections to those currently afforded through the SRES.

What newly emerging issues for batteries or new technology should the review consider?

The Queensland government should review its legislation and regulatory frameworks for SAPS in the context of the recently published AEMC Draft Report of the Review of the Regulatory Framework for SAPS.

The AEMC has proposed a national framework for SAPS that would allow for state and territory governments to opt-in. As a precursor to opting in, states will be required to ensure that SAPS customers receive reliability protections and certain consumer protections equivalent to grid-connected customers.

The review should ensure that Queensland's energy legislation, regulations and consumer protections are adequate and present no barriers to the Queensland government opting-in to the AEMC's proposed national framework for SAPS.

Protections for Queensland customers must ensure safe and reliable electricity supply irrespective of the energy supply model and should include:

- Enforceable standards for safety and reliability,
- Universal access to dispute resolution processes, and
- Price controls where customers may have difficulty accessing competitive offers.

The AEMC has recommended that the System Average Interruption Duration Index (SAIDI) and System Average Interruption Frequency Index (SAIFI) and other jurisdictional reliability standards should be extended to apply to customers receiving supply via a DNSP-led SAPS. The requirements for determining SAIDI and SAIFI targets are calculated by categories of feeder type in Queensland. There are currently no feeder categories identified for SAIDI and SAIFI that would be applicable for off-grid supply in Queensland.

The AEMC has also noted in its Draft report of the Review of the Regulatory Framework for SAPS that some form of retail price control would be required for customers in regions where price regulation does not apply — including south-east Queensland.

The CEC would also urge the Queensland government to consider extending the jurisdiction of the Energy and Water Ombudsman Queensland (EWOQ) to include SAPS.