

# Queensland Energy Legislation Review

Transcript of Online Submission - 28 January 2020

## Feedback on Section 2.2 - Energy Efficiency and Demand Management

### ***Q2.1 Of the Options considered for this Topic, which one do you prefer?***

I do not like any of the options

### ***Q2.2 Why?***

Helping homes and businesses manage energy use is critical to reduce energy bills and greenhouse gas emissions. Improved energy management could reduce many Queensland households' and businesses' energy bills by over 30 per cent.

However, an internal assessment by the Energy Efficiency Council rates Queensland as providing the least support for energy management out of any jurisdiction in the National Electricity Market. As a consequence, Queensland homes and businesses aren't getting the support that they need to manage energy and Queenslanders are paying far more for energy than they need to.

The Queensland Government must deliver a major expansion in energy management programs. The Queensland Government has previously committed to develop an energy management strategy, but still hasn't delivered on this commitment. In this context, it is deeply disturbing that the only action related to energy management being contemplated in the 'Review of Queensland's energy legislation' is the removal of existing provisions to support energy management.

The Energy Efficiency Council opposes all three of the options presented in section 2.2 of the RIS Options Paper, and strongly opposes Options 2 and 3. Option 1 (status quo) is the least-worst option presented, but the Queensland Government should adopt a new option – "Option 4: substantial expansion of energy efficiency and demand management measures".

The Energy Efficiency Council also opposes the specific proposal in the RIS Options Paper, namely the removal the requirement that "Queensland electricity distributors must plan and report on demand management activities under both applied national rules and state regulation".

First, and most critically, national requirements relating to demand management "do not currently apply to 33 isolated networks operated by Ergon Energy". Removing

state requirements before national requirements are introduced is nonsensical. Second, the Australian Energy Regulator (AER) has only recently begun to ramp up its work in demand management, and removing state requirements in advance of the AER establishing and demonstrating its capabilities in this area is premature. Third, the Queensland Government owns Queensland's electricity distributors, and it makes sense that distributors would report their demand management activities to both their owner and the national regulator.

Therefore, the costs today of removing the requirement for electricity distributors to report on their demand management activities to the Queensland Government would significantly exceed the benefits, which are only estimated at \$20,000 per annum. We strongly recommend retaining the requirement that 'Queensland electricity distributors must plan and report on demand management activities under both applied national rules and state regulation' until the national regime is both mature and in place for all networks in Queensland.