

# **Electricity and other Legislation (Batteries and Premium Feed-in- Tariff) Amendment Bill**

Submissions

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# Electricity and Other Legislation (Batteries and PFit) Amendment

Master Electricians Australia (MEA) the trade association representing electrical contractors recognised by industry, government and the community as the electrical industry's leading business partner, knowledge source and advocate. Our website is [www.masterelectricians.com.au](http://www.masterelectricians.com.au)

Master Electricians Australia appreciates the opportunity to comment on the amendment bill. MEA understands that the bills policy objectives are

1. Clarify when additional generation systems and electricity storage devices can be deployed in association with the Solar Bonus Scheme;
2. Enable the effective implementation of a new national regulatory framework for retail competition in embedded electricity networks which commenced on 1 December 2017; and
3. Allow residential and small business customers in regional Queensland to have the option to return to Ergon Retail, if that property has switched to a private retailer.

## Policy Objectives 1

MEA has read the Explanatory Memorandum and the Report No. 44, 55th Parliament Public Works and Utilities Committee August 2017. MEA supports the objective; however, this is qualified support on the basis we believe the legislative instrument and process undertaken have raised concerns over changes and future methodologies of consultation.

Firstly, MEA has been given undertakings that “oversizing” due to discontinued panels size wattages, repairs and similar circumstances, an increase of 5% total generation allowance will not affect a consumer’s right to the Solar Bonus Scheme. We note that in the Bill that there is no reference description or enunciation of that percentage allowance.

*Section 44A— 6 insert— (1A) However, the condition mentioned in subsection (1)(b) stops applying in relation to a qualifying customer if— (a) the maximum output of the component of the customer’s qualifying generator that generates electricity exceeds, in aggregate, the approved total rated inverter capacity of the generator; or*

Whilst the paper refers to “oversizing” we want to be clear technically that increasing the size of the panels does not result in the equal or greater export of power to the grid. This would require changes to the solar inverter.

AS/NZS5033 PV Standard and the Clean Energy Council (CEC) guidelines have long provided for solar array “oversizing” as a legitimate practise to maintain a solar system at its best potential throughout its life. Up to 133% of the system rating can be implemented at either the design stage to **offset future losses or during maintenance to restore a system**. The proposed amendment to the QLD Electricity Act (1994) is to reduce this nationally applicable standard to 105% for QLD Electricity customers.

The practise of “oversizing” **IS NOT** the increase in the “size” or “system rating” of the generator by way of installing a bigger “Solar Inverter” to allow more power to be exported, as this is

capped by the inverter. “Oversizing” refers to where solar panels are added or changed in a solar array to compensate for system deterioration and environmental change.

As such the combination of wording in the Bill is different to what is known to installers and how organisations such as the CEC or others communicate to industry. We believe this will lead to confusion in the industry and to disputes between retailers, suppliers, installers and regulators. MEA strongly recommends to the Committee for these reasons that the wording of the legislation should include a specific reference to the percentage of 5% and define it against the systems approved capacity based on the inverter size. This may be achieved either through altering the wording of the Bill, adding a Regulation or via an explanatory note within the legislation. MEA preference is to have the wording within the Bill/legislation to ensure clarity to regulators and courts in the event of disputes, infringements or withdrawal of services that stem from breaching these new requirements. The intent of the legislator in the bill must be clear to all concerned.

MEA also hold concerns in relation to the following wording

**Part 18 Transitional provision for Electricity and Other Legislation (Batteries and Premium Feed-in Tariff) Amendment Act 2018**

*360 Application of s 44A*

*(1) Despite section 328, section 44A(1A), (1B) and (6) applies in relation to a qualifying customer who is a small customer mentioned in section 328.*

*(2) Section 44A(1A)(a) does not apply in relation to a qualifying customer for an oversizing modification of a qualifying generator made before the commencement.*

*(3) Section 44A(1A)(b) does not apply in relation to a qualifying customer if the customer—*

*(a) installed the electricity storage device before the commencement; or (b) entered into a contract for the installation of the electricity storage device before the commencement, and the device is installed after the commencement.*

*(4) Section 44A(1A)(c) does not apply in relation to a qualifying customer if the customer—*

*(a) installed the additional generator before the commencement; or*

*(b) entered into a contract for the installation of the additional generator before the commencement, and the generator is installed after the commencement.*

MEA concerns stem from section 360 of the Bill whereby the term “commencement date” is defined by section 328 in the Electricity Act. Currently in section 328 “commencement date” refers to 8 June 2011. MEA is unclear from this wording when section 44A commencement date is from. We believe there are 2 possibilities those being 8 June 2011 as defined by section 328 or from the 17 February 2018 the date in the explanatory memorandum.

MEA also wishes to raise concerns regarding the consultation process that took place in 2016 under the 55<sup>th</sup> Parliament. We note specifically that these changes ignored industry representatives from manufacturers, contractors and consumers. This is confirmed by the explanatory notes of this Bill. Whilst in early stages of policy development this may be appropriate the impact that the Solar Bonus Scheme has on contractors and consumers must in future not be ignored prior to a Bill being presented. MEA is of little doubt had industry associations been included in the consultation prior to the 2017 Bill being presented this Bill

may well have received royal ascent in the 55<sup>th</sup> Parliament. We believe that involving industry associations earlier and with appropriate confidentiality undertakings an earlier result would have been achieved and significant costs saved for both regulators, Government owned corporations and industry participants.

MEA would also call for support for an education campaign and material for contractors and consumers be created by the department for dissemination within 2 months of the changes being approved by Parliament.

## **Policy Objectives 2**

MEA has read the explanatory memorandum and the associated report from Report No. 44, 55th Parliament Public Works and Utilities Committee August 2017. MEA wishes to submit to the Committee that currently under Power of Choice changes, customers are facing significant delays and impacts. This is due to metering changes that have occurred under Power of Choice.

Currently MEA is receiving a significant number of complaints from across the country however a significant number in Qld and particularly SE Qld, concerning retailers not meeting their Guaranteed Service Level (GSL) requirements for metering changes. MEA is concerned that whilst Policy Objective number 2 will be achieved, that Consumers or in this case Embedded Network Customers (ENC) will experience severe and crippling delays in the event that current metering change over delays are allowed to continue unaddressed.

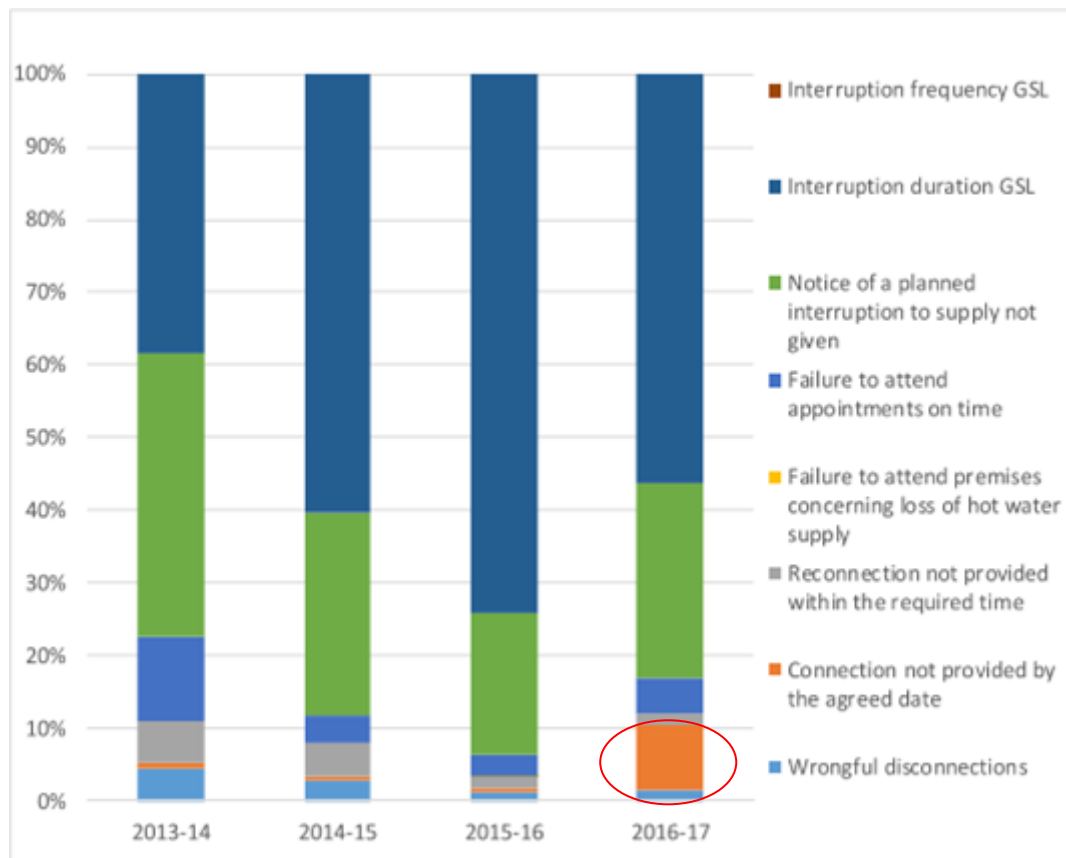
Evidence of the delays being experienced, can be found in the Queensland Competition Authority (QCA) Review of Guaranteed Service Levels to apply in Queensland from 2020. [QCA Review of GSL 2020](#). Figure one from the QCA report, reproduced on page 4 of these submission, shows “connection not provided by agreed date“ has increase in 2016 – 2017 compared to the preceding 3 years. MEA believes that these complaints / payments will continue and exponentially increase in the 17-18 and 18-19 years if changes to “Power of Choice” are not implemented to address these delays.

The changes as detailed in Policy Objective 2 in our view are not well known, however it is our estimate that in 6 to 12 months as ENC’s start to exercise their right to change to a new retailer the current issues faced by residential owners will start to impact on businesses and their owners, compounding and possibly extending delays even further.

To ensure that there is a smooth transition an Embedded Network Operator (ENO), the ENC’s new Retailer, Distribution Network Provider, Metering Provider, Metering Coordinator and Metering Installer, need to be able to coordinate the switch over on a single day to ensure continuity of supply and ongoing operation of the business. If current difficulties experienced by other consumers are experienced delays of up to 6 weeks will potentially cripple a business, breach a lease agreement and ruin livelihoods.

Figure 1

Energex GSL payments by category, 2013–14 to 2016–17



There must be protection for the ENC to ensure power continuity and that delays are not experienced or that ENO cannot disengage/disconnect a tenant without ensuring an appropriate power supply available to continue running the business. This may be achieved through either legislative amendment, additional regulations and financial penalties that support the Electricity Act changes. We believe the current regime of penalties for failing to deliver GSL to customers and small businesses is not a suitable deterrent or disincentive to ensure compliance.

MEA in relation to **Policy Objectives 3** has read the explanatory memorandum and the associated report from Report No. 44, 55th Parliament Public Works and Utilities Committee August 2017. MEA supports the changes identified.

We appreciate the opportunity to provide feedback on the Bill and we are available if required to participate in any further processes the Committee deems necessary to further the Bills passage.



**Jason ODwyer**

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