



# National Irrigators' Council

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## MINUTES

### Energy Sub-Committee

Wednesday 16 February 2022: 3.00 pm – 4.00 pm

Chair: Dale Holliss

Item 1	<b>Present and Apologies</b> <u>Present:</u> Dale Holliss (Chair), Steven Ford, Michael Murray, Simon Schutz, Jennifer Brown, Michael Pisasale, John Shannon (BRFF), Jeremy Morton, Isaac Jeffrey (CEO) Joy Thomas (NIC) <u>Apologies:</u> Iva Quarisa
Item 2	<b>Minutes of meeting held 20 October 2021</b> a) Business arising; there were no Actions recorded. The Committee Chair advised that Georgina Davis, while no longer QFF CEO, remains on the ECA (Energy Consumers Australia) reference committee and has offered to take forward to the committee, issues raised by NIC and the Energy sub-committee.  The Committee Chair noted the potential stocktake of energy policy and regulatory issues (discussed at Ag Energy Taskforce meeting, December 2021). There has been no further progress on the stocktake.
RESO 1	<i>Steven Ford moved:</i>  <i>That the Minutes of the Energy sub-committee held on 20 October 2021 be accepted as a true and accurate record.</i>  <i>Seconded by Michael Neville</i> <span style="float: right;"><b>CARRIED</b></span>
Item 3	<b>General business: recap on key issues and reports</b> a) Federal Election 2022 Platform: Energy: The Committee Chair spoke to the key recommendations and funding requests in the document: <ul style="list-style-type: none"><li>• \$300,000 for a policy position for the Taskforce.</li><li>• \$250 m for a water and energy productivity program.</li><li>• \$150,000 to enable two energy related forums per year between the agriculture sector and energy networks, AEMO, AER, AEMC and other key bodies.</li><li>• 8 cents per kilowatt-hour for electrons (R) and 8 cents per kilowatt-hour for the network (N).</li><li>• Advocating for tariff reform with a suite of national food and fibre tariffs, noting comments by ACCC Chair Rod Simms and the Energy Security Board post 2025 market design work, suggesting the need for tariff reform.</li></ul> The Committee Chair highlighted achievements in Queensland on the tariff front, underpinned by work completed by Energy Analyst, Bruce Mountain examining what an ideal food and fibre tariff would look like – and responses by Ergon and the Qld Government on tariffs.  Michael noted he was happy with the federal election platform but would like to see it shortened. Also queried why an irrigator tariff would vary from any other tariff. The Committee Chair advised that the Qld tariffs were defined, with a preference for volume rather than demand-based tariff.  The Energy federal election platform to be circulated to AEMO, AER, ECA and other key regulatory energy bodies and key Independent federal election candidates.  b) Ag Energy Taskforce / The Energy Charter collaboration: Joy update: <ul style="list-style-type: none"><li>• Work continues with The Energy Charter and AEMO; key focus:</li></ul>

- Cost of energy for the agriculture sector / undermining agricultural competitiveness.
  - Land use and development of new infrastructure, Interconnectors poles & wires, solar farms in rural and regional locations.
  - To gauge appetite from Energy Charter members regarding funding a resource for the Taskforce.
  - Positive engagement from AEMO personnel and further follow up meeting with newly appointed AEMO Stakeholder Relations Manager with Energy Charter involved.
    - Discussed with AEMO Stakeholder Relations Manager, the opportunity to convene two forums per year between the ag sector and energy networks as well as key regulatory bodies – AEMO, AER, AEMC.
  - The Energy Charter and AEMO to develop an agenda for discussion with Energy Charter members; AEMO to digest and socialize with AER, AEMC and others. A positive step.
- c) NIC Federal Budget 2022/23 submission: The CEO provided an overview of the energy related components of the submission:
- Various approaches to secure funding to support the work of the Ag Energy Taskforce.
  - Submission to be forwarded to relevant Ministers and Shadow Ministers, relevant party candidates and key Independent candidates.
  - Responses received from several Taskforce members regarding co-funding the Taskforce; to note the departure of several key people from Taskforce member organisations (QFF and Canegrowers).

The Committee Chair suggested awaiting the outcome of the funding requests to secure support for the Taskforce before determining the next steps.

d) Perspectives on electricity prices and emerging issues and concerns: state by state  
South Australia Greg noted the upcoming SA March state election:

- SA-NSW Interconnector close to sign off; the full impact will be felt in 2025 with a positive outcome regarding the control, frequency and reliability of the SA network.
  - Currently, AEMO interventions in the market are imposing ever increasing FACS (frequency controlled ancillary services) on customers; CIT's most recent bill was \$27,500 for FCAS charges; with CIT's high peak demands in summer, this represents significant costs; hoping for greater frequency and a stable market for the net 2-3 years as interconnectors come on stream.
- CIT to engage in SA Power Networks consultation on pricing policy, due to commence.
- Greg sits on tariff working group as industry representative; issues around electric vehicles (EVs) will increase peak demand; keen to ensure that is not passed on to rural industries.
- Significant push around renewable energy; peak time for power use is 6-9 pm when EVs plugged in to the network; will need to be managed.
- Concern re capital costs of interconnectors' replacements parts, passed on to consumers.
- Engagement with the SA Energy Minister on marginal loss factors; CIT is in the wrong node and will wear marginal losses.

Victoria: Mike advised he hopes to engage with key Victorian entities on energy issues; also noted the number of wind farms between Warrnambool through to northern Victoria.

NSW: Jenny is on the Essential Energy customer advisory group; NSW Government have released the [Infrastructure Roadmap](#); Five [REZs](#) (Renewable Energy Zones) proposed for NSW; testing public interest; Registration of Interest is occurring on the Hunter-Central Cost REZ.

Queensland: Steven advised he received a recent notification from Ergon that because PVW hadn't used 100 M/watt on a particular pump station, Ergon would move PVW back to small user status; if PVW moved back to 100 M/watts, Steven queried Ergon regarding the impact on the ETAS

	<p>(electricity tariff adjustment scheme) rebate. The response was that they would leave PVW as they were; obviously hadn't thought this through.</p> <p>Michael noted:</p> <ul style="list-style-type: none"> <li>• QCA (Queensland Competition Authority) are seeking a representative on their Consumer Advisory Committee.</li> <li>• There is room for the solar soaker tariff in Qld.</li> <li>• Cotton Australia participation in discussion on Essential Energy tariff reform; Jenny has pulled together stats on cotton industry users people and looked at the demand charges; useful information but concerned about the way tariffs are developed.</li> </ul> <p>The Committee Chair agreed with Michael's comments around the way tariffs are designed.</p> <p>Steven noted concerns regarding events in Europe and the push for renewable power; caution against Australia putting too much faith in renewable energy. The Committee Chair advised that NIC has long been agnostic about the source of energy used; rather, the focus is on the impact of high costs and the competitive capacity of agriculture industries.</p> <p>Michael noted this is likely to be Joy's last meeting with the committee. Thanks to Joy.</p>
Item 4	<p><b>Other issues</b> There were no other issues raised.</p>
Item 5	<p><b>Meeting closed at 4.00 pm</b></p>