

Mr Gavin Fox General Manager Australian Energy Regulator GPO Box 3131 Canberra ACT 2601

Dear Mr Fox,

I write in relation to the Australian Energy Regulator's (AER) current review of the Energex Tariff Structure Statement (TSS) for 2025-2030. Climate Council wishes to endorse and reiterate concerns raised with AER by community energy stakeholders such as Zero Emissions Noosa, about the proposed TSS.

As you would be aware, the National Energy Objective now requires AER to consider emission reduction when reviewing proposals from DNSPs. The relevant section of the NEO states:

to promote efficient investment in, and efficient operation and use of, electricity services for the long term interests of consumers of electricity with respect to ... **the achievement of targets set by a participating jurisdiction** — (i) for reducing Australia's greenhouse gas emissions; or (ii) that are likely to contribute to reducing Australia's greenhouse gas emissions. (emphasis added)

Climate Council's recent <u>Seize the Decade</u> report has highlighted that community batteries can contribute to national and state renewable energy and emission reduction targets by:

- a) providing a key role in cleanly meeting peak evening demand periods when exported solar from consumers is not available; and
- b) supporting the stability of the grid to facilitate a greater uptake of solar power by consumers and avoid solar curtailment.

Stakeholders such as Zero Emissions Noosa who are directly involved in delivering community battery projects have raised the concern that the Energex TSS fails in fully meeting its obligations under the National Energy Objective due to a limited analysis of the contribution of community batteries in meeting national and state emissions/renewables targets. These stakeholders have noted that the proposed storage tariff to apply (especially the \$6500 annual charge) compares poorly with



arrangements by DNSPs in Victoria and NSW, and could act as a disincentive in Queensland to the widespread uptake of community batteries to assist with the state's legislated renewables and emission reduction targets.

Climate Council encourages the AER to engage further with community battery providers and partners as part of its consideration of the Energex TSS, and work towards a solution which maximises the enormous opportunity community-scale energy resources represent in the transformation of our energy system. We further encourage you to engage closely with the substance of Zero Emissions Noosa's more detailed submission on this matter.

Thank you for your consideration.

Warm regards,

Jennifer

Dr Jennifer Rayner **Head of Policy and Advocacy**

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