From: Scott Armstrong < Sent: Thursday, May 23, 2024 11:01 AM To: AER Inquiry <a href="mailto:aerinquiry@aer.gov.au">aerinquiry@aer.gov.au</a> Subject: Energex and Ergon Regulatory Submission

Hi,

Please find attached my comments and concerns with the gaps in the regulatory submissions:

- Customer Energy Resource (now + 15years)

- Community Energy Zones - required to integrate and optimise both embedded and customer energy/storage/services

- Supports accelerated carbon reductions, Qld still at 700kg-CO2e/MWh and likely stall with the Gov hydrogen electro demand policies without a DNSP to Customer delivery strategy

- Supports likely delays and impacts of remote TNSP-based projects

- Improved resilience for customer supply

- Qld Customers Summer 2023/24 - tens of thousands lost supply due to storms, mini tornadoes, cyclones and hot days

- A detailed assessment will identify current design failures to meet both climate impacts and customer supply-demand changes.

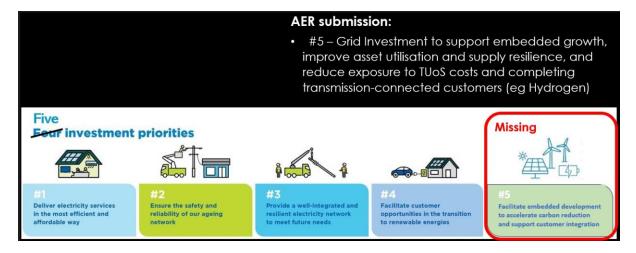
Please consider this as a late submission for Bothe Energex and Ergon 2025-2030 Reg Resets.

Appreciated

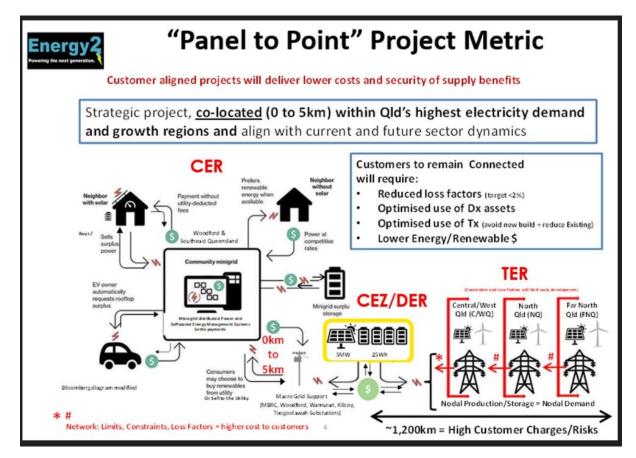
Scott Armstrong Energy2

#### 3 Attachments, followed by supporting PowerPoint Presentation Slides

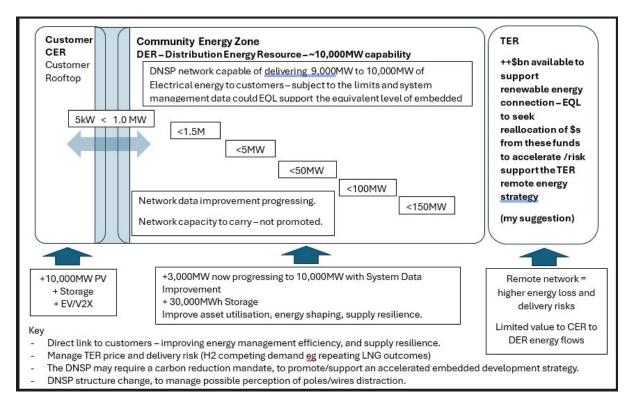
#### Attachment 1 (AER missing)



#### Attachment 2 (CER-DER)



#### Attachment 3 (CEZ)





### WOODFORDIA ENERGY Company

#### Showcase Integrated Power Plant

Evergreens – 12:30pm to 1:15pm 29 Dec 2023

Scott Armstrong, CEO - Energy 2 Powering The Next Generation

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# WOODFORDIA INC.

#### WE ARE POWERING THE COMMUNITY

- POWER RESILIENCE
- TELECOMS RESILIENCE
- SHOWCASE COMMUNITY INFRASTRUCTURE
- AREA CARBON REDUCTIONS
- MASTERING KNOWLEDGE





### 1st Year Progress 2023 – Small Step



Mega Shed – completed Aug 2023

- State Gov grant approved May 2023
- 40kW<sub>dc</sub> PV + 42kWh battery storage
- 30kW Inverters
- 3 x 15amp (EV charges outlets)
- 2 x Security LED lights

Key Metrics:

- Production +45,000kWh/an
- Avoid \$15,500/an system purchases (35c/kWh)

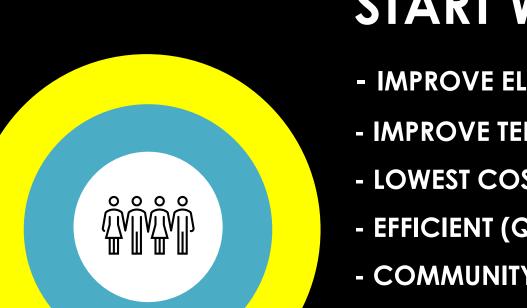
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ering the next generation

- Pay back <6 years</li>
- 5% of Woodfordia's energy demand requirements Opportunity:
- Larger battery + additional Solar PV
- Switch from 5kW/phase to 10kW/phase







### START WITH THE CUSTOMER

- IMPROVE ELECTRICAL SUPPLY RESILIENCE
- IMPROVE TELECOMS RESILIENCE
- LOWEST COSTS/HIGHEST SERVICE LEVELS
- EFFICIENT (QUICKEST) CARBON REDUCTION TRAJECTORY
- COMMUNITY INTEGRATION (OPTIMISATION IPP)
- CUSTOMER CHOICE
- MASTERING KNOWLEDGE ENERGY, DATA, COMMS AND
   SOFTWARE DEMONSTRATION PROJECT
   ALIGNED IMPACT AND BENEFIT \*





#### **Resilience Improvement Acceleration**





Blackout - Loss of Power – inconvenient for most (dangerous for some), and amplifies over time

Absolute Blackout – Loss of Power and Communications/information – instantaneous, isolation, no information, no status for return of any services

Frequency of high impact weather events will increase





#### WHY?



#### QUEENSLAND, FOR EVERY 1,000KWH SUPPLIED TO CUSTOMERS FROM THE NATIONAL ELECTRICITY MARKET (NEM), +700KG-CO2E IS EMITTED FROM COAL AND GAS GENERATION.

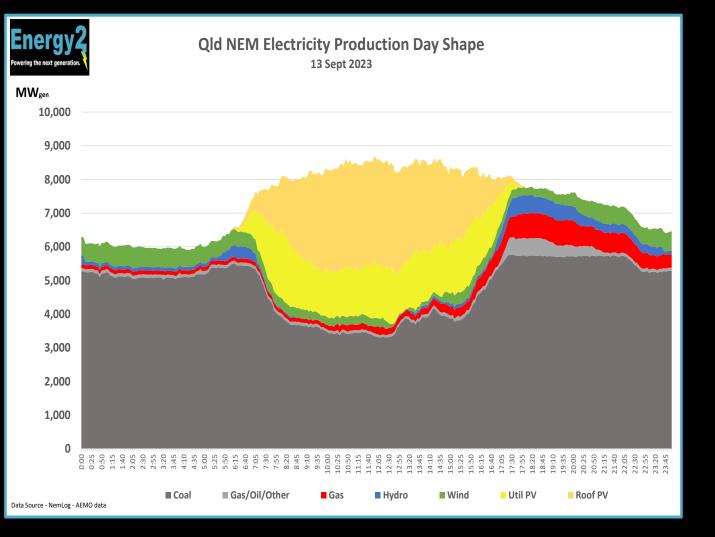
(Note: not including methane leakage from the source coal or gas mines)

#### LEGISLATED TARGETS: 2005 EMISSIONS REDUCED BY 75% BY 2035



6

## QLD NEM DAY SHAPE



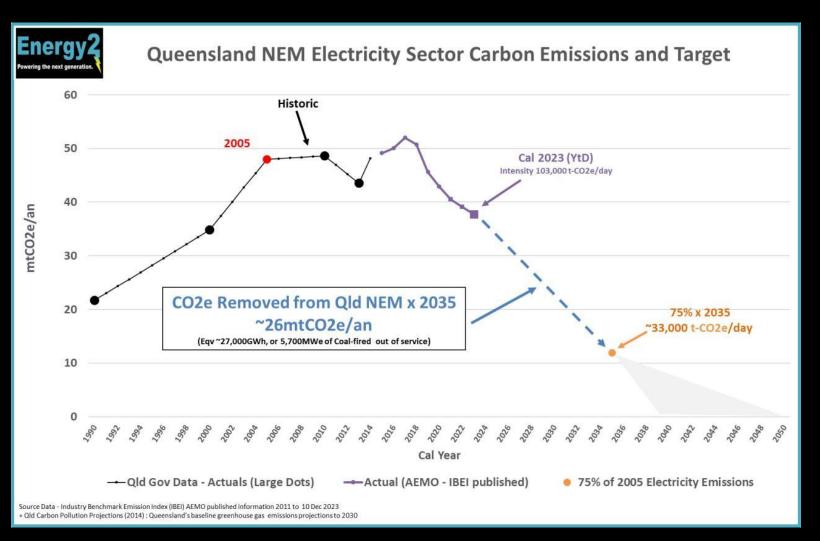
#### Coal still 65% of Qld electricity supply

- Coal on this day emitted 110,000t-COe2 or +40mt-CO2e/an<sub>e</sub>
- Annual average is ~38mt-CO2e/an



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## **QLD NEM CARBON EMISSIONS**



#### 2035 Target:

- Down to ~12mt-CO2e/an, or
- 33,000t-CO2e/day; or
- ~200kg-CO2e/1,000kWh

### Increased domestic and industrial rooftop solar +

Embedded projects like Woodfordia will accelerate carbon reduction targets

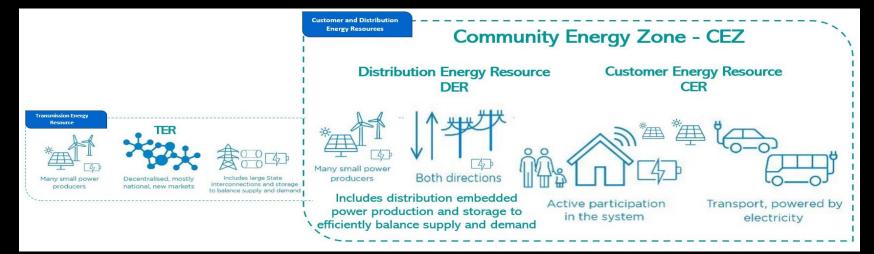


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### **DNSP ENERGY FLOW CHANGES:**



- Rooftop PV + Storage Residential and C&I growth
- Embedded PV + Storage growth across Energy Qld networks/substations
- Electric Vehicle growth plus V2X development opportunities



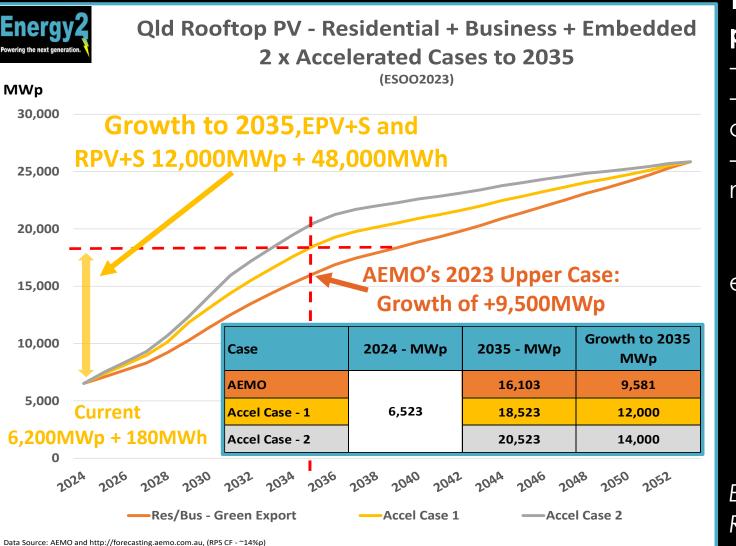
Is Energy Queensland ready for the embedded energy transition – The "Back of Boundary Meter" strategy

(DNSP – Distribution Network Service Provider – Energy Queensland)



## QLD EPV+S & RPV+S GROWTH





# Targeted embedded projects will provide efficient support for:

- Qld/Fed Gov targets
- Reduce pressure (and cost to customers) due to new transmission and
  Support regional customers and microgrid developments.
- Resilience Improvements (Lights On)
   harnessing and using PV power efficiently

#### Growth "Accelerated Case – 1" x 2035 Energex/Ergon DNSP:

• PV +12,000MWp

Storage +48,000MWh

Powering the next generation

EPV+S - Embedded Solar PV + Storage RPV+S - Rooftop Solar PV + Storage

### **ENERGY QLD - FUTURE PROOF OPPORTUNITY**



#### ASSETS +\$29BN, UNDERUTILISED (<40% & DECLINING)

EPV+S Developments	Actual	Target No.	@MWp	New - MW	+S hours	New - MWh
Adjoining Substations	508	110	30	3,300	5	16,500
Cut-In 132kV		10	50	500	5	2,500
Cut-in 110kV	120 000km	5	40	200	5	1,000
Cut-in 33kV	+130,000km	60	20	1,200	5	6,000
Cut-in 11kV		50	6	300	5	1,500
EPV+S - Total		/		5,500		27,500
RPV+S - New	/			6,500	1.8	11,500
RPV+S - Retrofit					1.6	9,000
Total				12,000		48,000

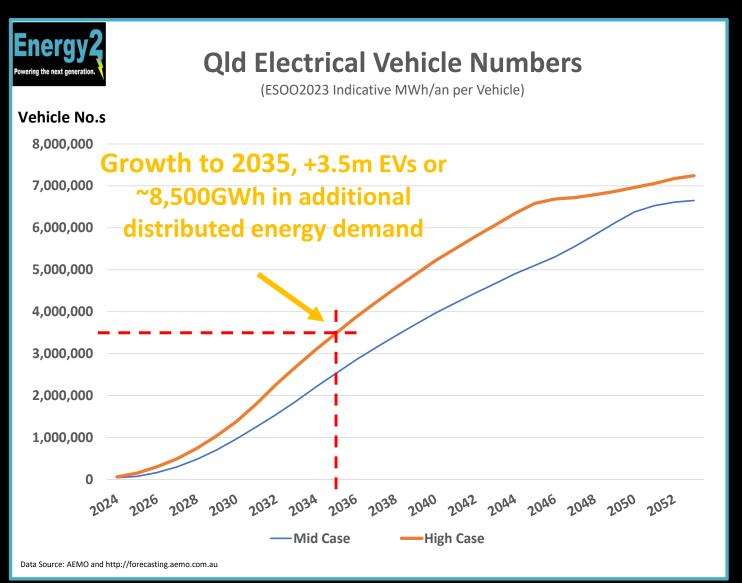
Woodfordia Energy Showcase Project The 1<sup>st</sup> of +200 possible targets Growth Targets (Accel Case - 1):EPV+S - Growth- EPV5,500MWp- Storage27,500MWhRPV+S - Growth- RPV6,500MWp- Storage11,500MWh- Retrofit + S9,000MWh

Growth x 203	35
- PV	+12,000MWp
- Storage	+48,000MWh



# **QLD EV OPPORTUNITY MANAGEMENT**





#### Home, plus down the road:

- Assess ability to self-supply (larger RPV+S)
- Co-located with Business (Ditto)
- DNSP support systems (EPV+S Micro)
  - Road/Highway based distributed
  - Embedded support/management systems
- Resilience Improvements
  - V2G, V2L, V2X
  - VPP, PP

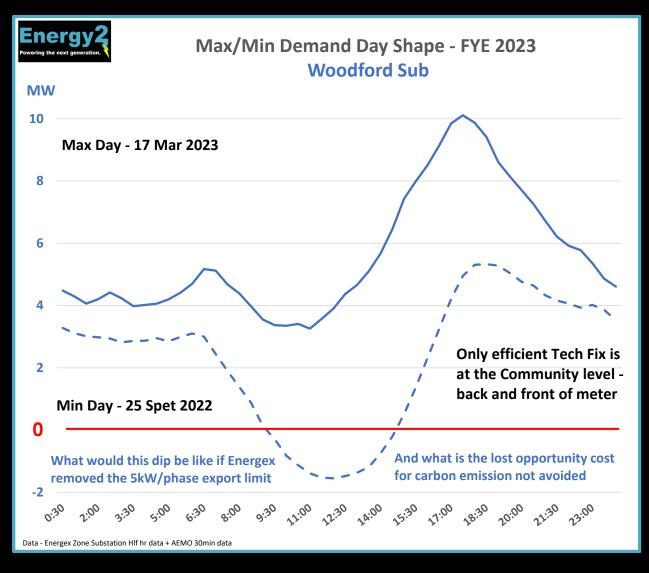
#### Growth to 2035 Energex/Ergon DNSP:

- EV Vehicles: 3.5m, still growing
- EV Demand +8,500GWh/an
- Stored Energy up to ~200GWh



### **NOT SOLVED BY TRANSMISSION**





#### Distribution level issues can't be solved by:

- Remote transmission development, or
- Remote generation development (including renewables)

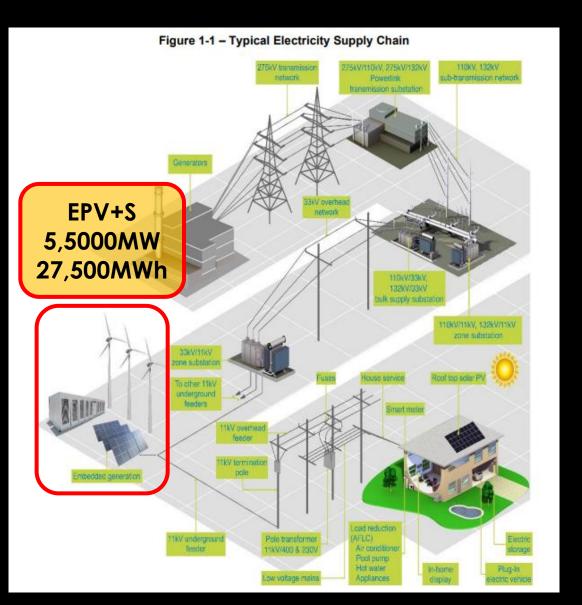
Energex embedded PV at +40% export; currently avoids 8% of transmission delivered energy

Transmission avoidance to 2035 could be +80% and higher in some zones, such as Woodford.



## ENERGY QLD – DARP EMBEDDED GEN





## DNSP embedded enablement and forecast connections:

- Pre-emptive CER energy integration
   management
- Identify Community Energy Zones
- HV connection dynamic limit development to accelerate embedded developments
- CER export limitations (eg 4kVA average)

# Supporting an accelerated carbon reduction trajectory.



## ENERGY QLD – DARP EMBEDDED GEN



What has already

been delivered

behind 16mm2

What could be

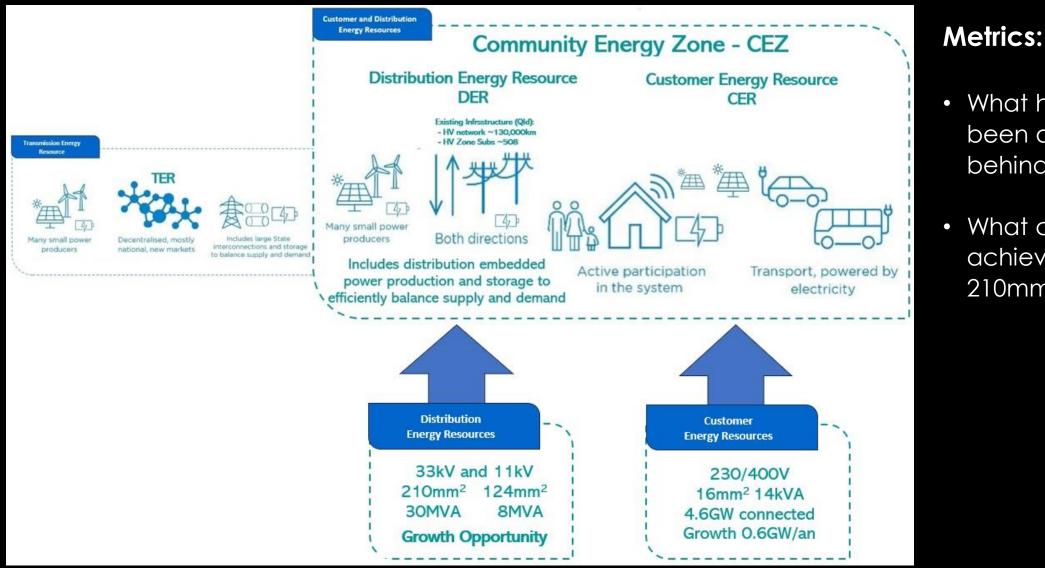
achieved with

210mm2 and 124mm3

Enerc

Powering the next generation.

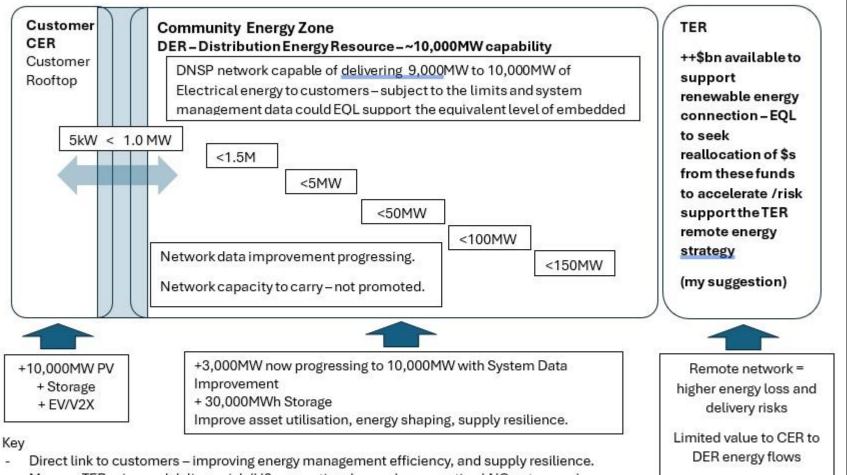
Additional meeting notes promoting the DNSP's ability to accelerate carbon reduction targets.

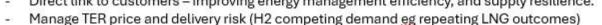


# ENERGY QLD – DARP EMBEDDED GEN



Additional meeting notes promoting the DNSP's ability to accelerate carbon reduction targets.





- The DNSP may require a carbon reduction mandate, to promote/support an accelerated embedded development strategy.
- DNSP structure change, to manage possible perception of poles/wires distraction.

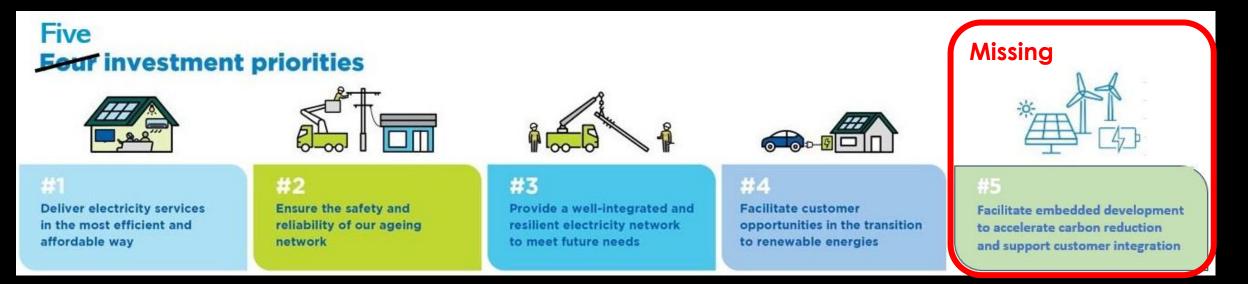


### ENERGY QLD – GROWTH OPPORTUNITY



#### **AER submission:**

 #5 – Grid Investment to support embedded growth, improve asset utilisation and supply resilience, and reduce exposure to TUoS costs and completing transmission-connected customers (eg Hydrogen)





### **KEY MESSAGES:**

- WOODFORDIA INC.
- DNSP customer energy management is not efficiently managed via high-cost New Transmission and Remote Generation/Storage
- AEMO forecasting significant embedded PV and EV growth,
- The DNSP's response to growth will also support additional embedded growth (Accelerated Case 1 and 2 trends)
- DNSP connected generation and storage will reduce transfers from the TNPS to  ${\sim}20\%$  x 2035
- Support the growth of a Qld retailer

Woodfordia Energy's Showcase Project – AEMO forecast, DNSP change aligned, Qld Retailer (who?)

(DNSP – Distribution Network Service Provider – Energy Queensland)



# **GROWTH OF CONCEPT**

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- PURSUE THE WOODFORDIA ENERGY SHOWCASE PROJECT
  - RENEWABLE ENERGY, WITH TELECOMS RESILIENCE AT THE COMMUNITY LEVEL
- Ability to expand the Woodfordia Energy concept into neighbouring zones:
  - E.g. Wamuran, Kilcoy, Toogoolawah, Esk....
- Work with Energy Queensland to develop the Opportunity Whole of State
  - Target ~30% of Energy Queensland's +500 substations, plus 130,000km of HV network
- Expand rooftop for Industrial buildings some sheds in Brisbane ~5ha in area
  - The "already built" sector of industrial sheds
- Support ramp of Home Battery installs and development of IPP
- Community electricity production PANEL TO POINT efficiencies

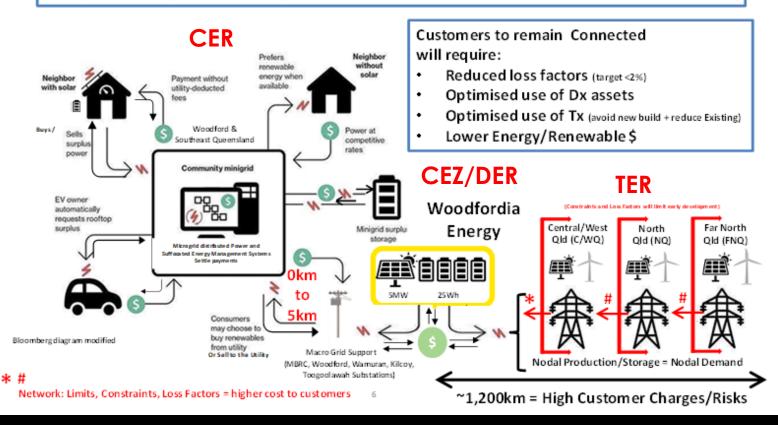




#### "Panel to Point" Project Metric

Customer aligned projects will deliver lower costs and security of supply benefits

Strategic project, <u>co-located</u> (0 to 5km) within Qld's highest electricity demand and growth regions and align with current and future sector dynamics





#### MASTERING KNOWLEDGE

#### New Technology Systems:

- Improve consumption efficiency; and
- Services.
- Improve Resilience.
- Reduce delivery costs.
- Reduce emissions.





# **WOODFORDIA ENERGY - SHOWCASE**

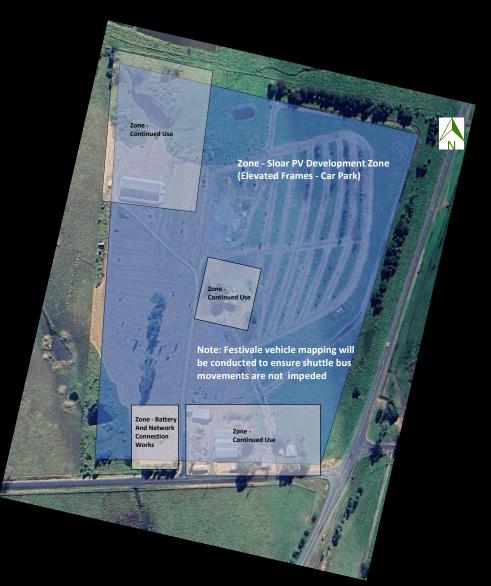
#### • Project Scope:

- Solar PV up to 5MW(ac) (5 to 7 ha or 13,500 panels)
- Energy storage up to 25MWh
- Reduce carbon to >300kg-CO2e/MWh x 2025
- Energy services (FCAS, System Restart, Impedance matching, Telecoms etc)
- Integrated EV charging stations
- Adjoining an existing 11kV network
- Final design electrical/system connection design alignment and approval
- Geotech/Engineering/Site designs will meet construction permitting and approvals
- Woodfordia Inc. has an existing +30year community basis



### WOODFORDIA ENERGY PROJECT









### WOODFORDIA INC.

# **CONNECTED AREA – 11KV**



- Suppling up to 5MW:
  - Woodfordia
  - Poultry facility
  - Town services
  - Shops/Hotels
  - Education
  - Other businesses
  - Housing Rural/Town

11kV Feeder WFD2B rated for 400Amps, supplies +30% of areas energy at a peak of ~5MW





## **EXAMPLE – 3MW DEVELOPMENT IN SA**







## **NEXT STEPS:**

- Shovel Ready Mid 2024 First Energy Mid 2025
- Engineering Design and Layout
  - Confirm connection design up to 5MW as a dynamic limit
  - Telecoms engagement
- Engage
  - Council for site planning and construction approvals scoping
  - State/Federal as a "Community Energy Project"
  - Local area community and businesses aligning benefits
  - Community base electricity retailer (with IPP systems)
- Continued development of the integration technology scope
- Continue engagement with suppliers to refine budget pricing and schedules
- Continued engagement to align project funding options



### **KEY MESSAGES:**



- CARBON REDUCTIONS AT THE CUSTOMER, WILL SUPPORT:
- RESILIENCE IMPROVEMENT FOR BOTH POWER AND TELECOMS
- WORK DIRECTLY WITH REGULATORY BODIES FOR SUPPORT (AEMC/AER)
- Qld needs a Distribution (DNSP) Integrated Energy Growth Delivery Strategy
  - Energy Qld could be the world leader, best positioned to lead or facilitate
- Energy Qld Opportunity +12,000MWp Solar PV and 48,000MWh Storage x 2035
- WOODFORDIA ENERGY'S LEAD SHOWCASE PROJECT EPV+S 5MW/25MWH
- Funding alignment for Woodfordia Energy Showcase Project State/Federal

#### Community Empowerment Strategy – Power by the people for the people

(DNSP - Distribution Network Service Provider)





#### **QUESTIONS?**



### WOODFORDIA INC.

## **ADDITIONAL MESSAGES:**

- CUSTOMER ENERGY RESOURCE
  - ENERGY EFFICIENCY
    - APPLIANCES
    - BUILDING STANDARDS
  - DEMAND MANAGEMENT AND OPTIMISATION
  - OPTIMISED SOLAR PV AND ENERGY STORAGE
    - ASSESS PV CURTAILMENT, AND EXPORT IMPROVEMENTS

#### • ECONOMIC REVIEW:

- CLIMATE
- LIGHTS ON, COMMS ON
- COST IMPROVEMENT
- LOCAL JOBS
- QLD RETAILER SUPPORT



### **ADDITIONAL MESSAGES:**



- NETWORK REENGINEERED FOR THE FUTURE
  - CUSTOMER MANAGEMENT PV, STORAGE, EV, FUTURE IS THERE A NEED FOR DEFINED LIMITS
    - REASONABLE ENERGY DEMAND CAPS SUPPORTS FORECASTS, CAUSER PAYS, ETC; OR
    - RUN TO FAILURE WHO DOES THIS IMPACT EVERYONE/OUT OF CONTROL
    - IMPROVED INFORMATION PROVIDED TO CUSTOMERS NO DATA = NO RESPONSE
  - **RESILIENCE**
  - COST IMPROVEMENTS + UNAVOIDABLE AS CUSTOMER DYNAMICS CHANGE
- REVIEW WEATHER EVENTS, FREQUENCY, AND NETWORK READINESS:
  - CYCLONE/LOWS
  - STORMS
  - FLOODS
  - HOT DAYS



### **ADDITIONAL MESSAGES:**



#### INVOLVEMENT

- TOWN HALL SESSIONS
- COMMUNITY
- LOCAL AREA INTEGRATION
- TAFE/UNIVERSITIES
- SOCIAL SUPPORT
- BUILDING PRODUCTS (ENGINEERING STANDARDS)

"BENEFITS OF ISLANDING MICROGRIDS TO IMPROVE CUSTOMER SUPPLY LEVEL RESILIENCE..."

- HIGH-IMPACT LOW-PROBABILITY (HILP) EVENTS TO
- HIGH-IMPACT MEDIUM-PROBABILITY (HIMP) EVENTS



• Key Points LinkedIn Comments Plus:

1. Reduced the risks of potential time delays on large renewables, and hydro, and transmission projects

- 2. It opens up more capital from customers who want to participate.
- 3. It also opens up another local area workforce
- 4. It enables a lot of small businesses to scale
- 5. It also unlocks all the latent capacity in distribution networks that on average are only 40% used
- 6. Will reduce inflation
- 7. Increase productivity

etc



DNSP	Proportion of customers using export services	Export capacity per export customer (kVA)	export	Measured exports as a proportion of all energy delivered
Energex	43%	4.9	2%	8%
Ergon Energy	32%	5.4	2%	5%
AusNet Services	26%	4.9	2%	18%
export capacity per export custon	ner lowest for Energex (4.9kVA)			

#### Energy Qld vs AusNet

- Energex 43% exporting, only 8% of energy delivered
- AusNet 26% exporting, and 18% of energy delivered



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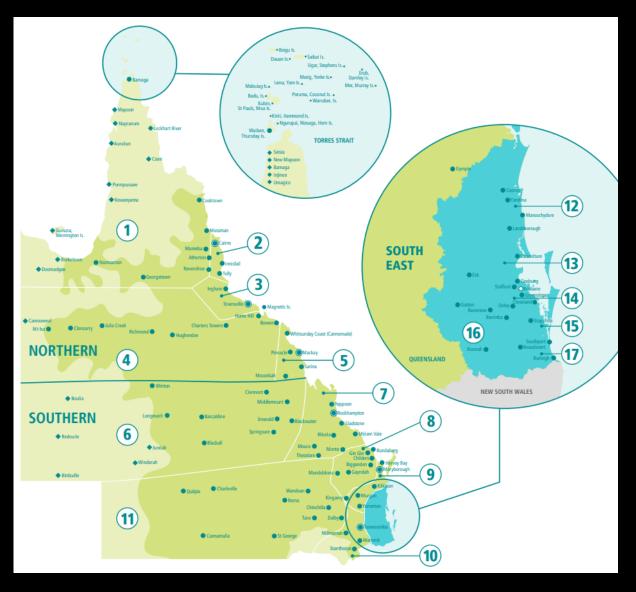


#### Showcase Project Site



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CONFIDENTIAL - WOODFORDIA AND COMMUNITY CLEAN ENERGY DEVELOPMENT

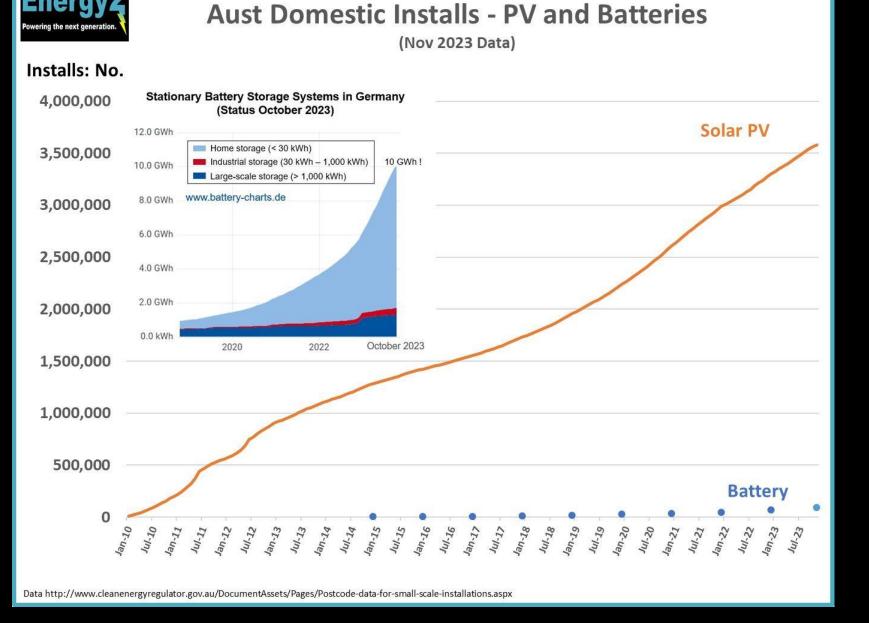


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#### Energy Qld

- +\$29bn of underutilised assets
- 508 Substations
- 130,000km of HV network
- +2,300,000 customers
- Significant CSO reduction opportunity



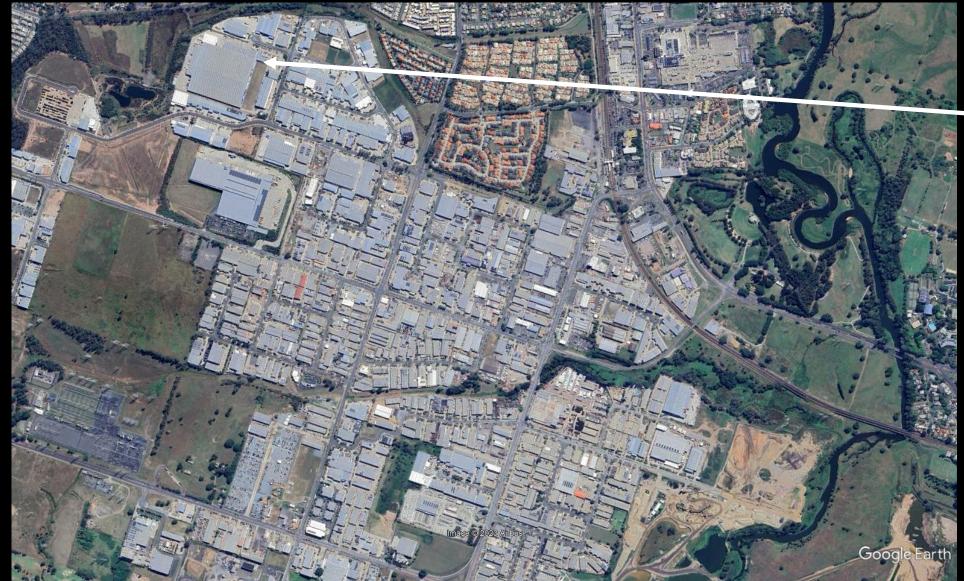




Germany - 8,000MWh NEM - 1,000MWh Qld - 175MWh

Qld only 1 battery for every 16 RPV installs







#### 5-hectare roof area

~7MWp of Solar PV



#### What the future holds for connections to the Qld DNSPs





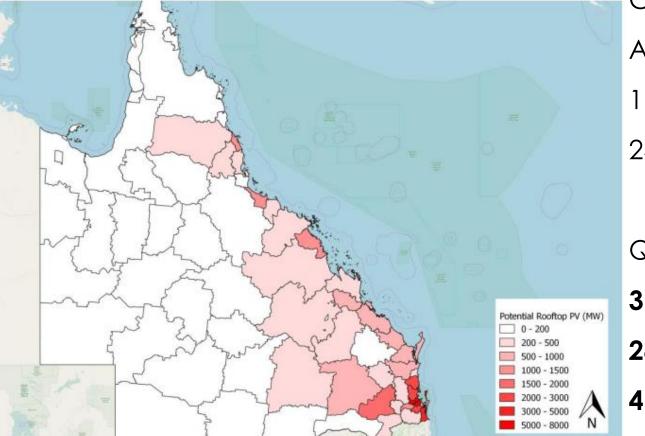
EQL: 2023 PV fast: Now 4,300MW 2035 11,900MW Growth: 7,600MW Battery fast: Now 200MWh 2035 2600MWh Growth: 2,400MWh



#### Queensland

Queensland has the third highest total rooftop solar potential (37 GW). However, some of Queensland's LGAs have the highest potential in the country. Most of the potential is in LGA's along the east coast and reduces drastically as we move inland. In addition to Brisbane, some of the other coastal councils that have high rooftop solar potential include Fraser Coast, Bundaberg, Mackay, Townsville and Carins. Inland, Toowoomba shows very high potential.

Figure 12 Potential Rooftop PV in Queensland



CEFC and Prop Council: Aust rooftop potential: 179,000MWp 240,000GWh/an

Qld

37,000MWp 28,500MWac

49,000GWh/an





PV capacity (MW)	Annual Energy output (GWh)
7,075	10,330
3,418	4,880
2,933	4,204
2,656	3,748
2,219	3,223
1,680	2,509
1,469	2,283
1,335	1,859
1,245	1,813
1,087	1,643
	7,075 3,418 2,933 2,656 2,219 1,680 1,469 1,335 1,245



#### Qld majors projected 22,451MWp 34,682MWh



Qld Electricity Demand	GWh/an	53,000
Qld Land Area	km <sup>2</sup>	1,852,642

(H)	
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Solar PV	Land Mounted	Rooftop	Land Mounted	Rooftop	Land Mounted	Rooftop
MWh/an/ha	730	1,264	730	1,264	730	1,264
Supplied from	100%	0%	70.0%	30%	13%	87%
GWh/an	53,000	0	37,100	15,900	<mark>6,890</mark>	46,110
Hectares	72,603	0	50,822	12,579	9,438	36,480
km <sup>2</sup>	726	0	508	126	94	365
% of Queensland	0.039%		0.027%		0.005%	

CEFC Study (2019) - Ql	d GWh/an	49,000			Largest cities by area
Capacity of Australias F	Rooftops				
		Qld	TER PV	RPV	<ul> <li>Brisbane (15,826 k</li> </ul>
	Dom Dev land	0.03%	508	126	<ul> <li>Sydney (12,368 km</li> </ul>
500,000GWh/an	Hydrogen Dev land	0.36%	6631	126	<ul> <li>Melbourne (9,990</li> </ul>
	10 fold		13.1		<ul> <li>Perth (6,418 km2)</li> </ul>
					<ul> <li>Adelaide (3,258 kn</li> </ul>
					D 1 (04/41 0

#### ea:

- km2)
- m2)
- 0 km2)
- (m2)
- Darwin (3,164 km2)
- Hobart (1,696 km2)

Qld land impacts of Hydrogen superpower strategy

Land Based - 500km2 and falling with increased rooftop to Rooftop +120km2



Qld Hydrogen	Renewable Generation		gen Process sumption	Electrolysis Scale *	Capex	Hydrogen Production	Hydrog	en Price	3
Overview	MW	GWh	ML-Water/an	MW	\$m	mt-H2/an	\$/kg-H2	\$/GJ-H2	
Townsville	<mark>24,30</mark> 0	82,500	33,000	24,300	135,790	1.50	8.15	67.90	Cape F
Abbot Point	30,600	75,900	30,360	30,600	166,180	1.38	10.84	90.32	
Hay Point	20,800	42,900	17,160	20,800	114,320	0.78	13.19	109.92	C
Gladstone	16,000	33,550	13,420	16,000	93,800	0.61	13.84	115.33	
Weipa	8,969	27,500	11,000	<mark>8,969</mark>	57,107	0.50	10.28	85.66	~
Karumba	19,015	58,300	23,320	19,015	121, <b>7</b> 95	1.06	10.34	86.18	0
Cape Flattery	19,733	60,500	24,200	19,733	126, <mark>31</mark> 5	1.10	10.33	86.12	
Cairns	19,015	58,300	23,320	19,015	102,280	1.06	8.68	72.37	
Lucinda	21,347	65,450	26,180	21,347	115,139	1.19	8.71	72.57	0
Mourilyan	21,347	65,450	26,180	21,347	116,139	1.19	8.78	73.20	0
Rockhampton	10,079	33,550	13,420	10,079	54,217	0.61	8.00	66.66	
Brisbane	1,465	3,850	1,540	1,465	7,899	0.07	10.16	84.64	
Bundaberg	3,812	9,350	3,740	3,812	20,803	0.17	11.01	91.78	
Total	216,482	617,100	246,840	216,482	1,231,785	11.22	9.88	82.34	

https://www.epw.old.gov.au/\_\_data/assets/pdf\_file/0017/33191/enabling-old-hydrogen-opportunities-report.pdf

Qld land impacts of Hydrogen superpower strategy, risks and cost of 500kV networks

500km2 and falling with increased rooftop to

+6,000km2 for hydrogen superpower

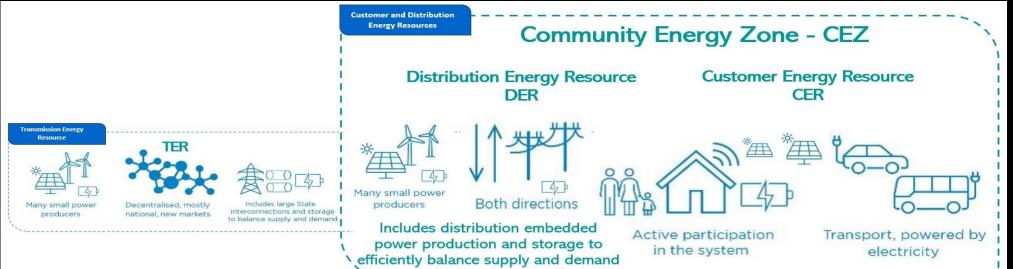


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- HV/LV Min/Max service levels aggregated management

Connection Limits:

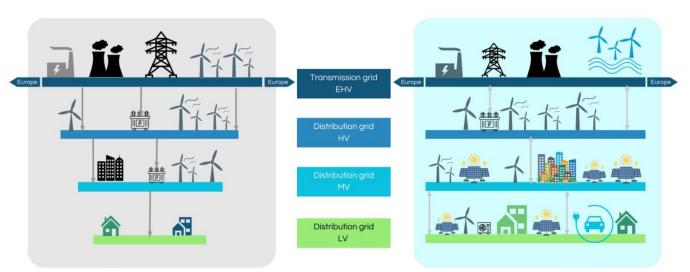
**CUSTOMER INTERFACE:** 





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### <u>GRIDS-FOR-SPEED\_REPORT.PDF</u> (EURELECTRIC.ORG)



#### Future

Past In the past, energy was generated at the transmission level and flowed down to the distribution level where it was consumed.

Energy flows are now bi-directional, with generation and consumption happening at every level. This changes and increases DSOs' responsibilities.

