



7 April 2022

Queensland Competition Authority
GPO Box 2257
BRISBANE QLD 4001

Submitted online: www.qca.org.au/submissions

Dear Sir/ Madam,

Re: QCA Draft Determination: Regulated retail electricity prices for 2022-23

Cotton Australia is the peak body representing Queensland cotton growers and ginners. Cotton Australia is an active member of the Queensland Farmers Federation (QFF) and endorses its submission to this draft determination.

This submission from Cotton Australia will be extremely brief, in a large part, because of its great disappointment that once again the Queensland Competition Authority (QCA) as stuck doggedly to the Ministerial delegation and has failed to address significant inequities in the regulated Tariff Determination process.

Huge discrepancies in tariff price have not been addressed or explained, other than the fact that QCA simply accepts the network tariff pricing provided by Ergon Network.

Cotton Australia cites one comparison as an example, and not as a definitive list of glaring inconsistencies:

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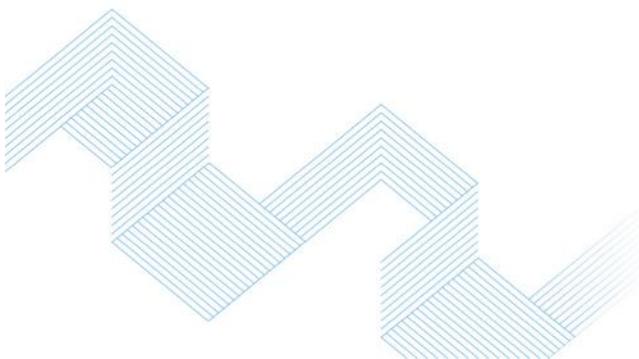
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Tariff 12B vs 62A

Table 6.1 Draft notified prices—residential customers (excl. GST), 2022–23

Retail tariff	Fixed ^a	Usage			Demand	
		Off-peak/flat	Shoulder	Peak	Off-peak/flat	Peak
	c/day	c/kWh	c/kWh	c/kWh	\$/kW/mth	\$/kW/mth
Tariff 11—residential (flat-rate)	90.445	20.745				
Tariff 12B—residential time-of-use ^b	89.719	15.585	16.555	28.211		

Table 6.8 Draft limited-access obsolete tariffs—small business customers (excl. GST), 2022–23

Retail tariff	Fixed	Usage			Capacity	
		Block 1/ Peak	Block 2	Off-peak/flat	Up to 7.5kW	Over 7.5kW
	c/day	c/kWh	c/kWh	c/kWh	\$/kW	\$/kW
Tariff 62A—time-of-use declining block tariff ^a	106.706	58.396	48.883	18.556		

It is beyond all rational explanation that T12B can have a peak charge, during the genuine peak period of 4-9pm of 28.211/kwh while, 62A has a peak charge of either 58.396c/kwh or 48.833c/kwh, that extends for 14 hours on weekdays.

The QCA endorsing this nonsense, make a complete mockery of the Regulated Price setting process.

The second and final point Cotton Australia specifically wants to make in this brief submission is that it is unacceptable that electricity users must shoulder the cost of the loss of generation at the Callide power plant.

Electricity users already fund the running, maintenance and replacement of power plants through pricing, and therefore should not have to fund the costs that arise out of failure.



Where is the incentive for power companies to properly maintain their equipment, if they can simply recover the cost of their failures through higher prices?

In any other business, the cost of failure is carried by the business, not their customers.

Cotton Australia has expressed its extreme dissatisfaction in the Queensland Regulated Electricity pricing process for a number of years now, but this Draft Determination highlights the failure of this formulaic system, that appears incapable of challenging the status quo and exercising independent thought.

For further information please contact Michael Murray, General Manager – michaelm@cotton.org.au or 0427 707 868.

Yours sincerely,

A handwritten signature in black ink, appearing to read "Michael Murray".

Michael Murray,
General Manager,
Cotton Australia

CC: Minister De Brenni

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