



Pioneer Valley Water Co-operative Limited.

A co-operative formed under the *Cooperatives Act 1997*.
ABN: 55 322 373 770

PO Box 275
(Level A, 120 Wood Street)
Mackay QLD 4740

Ref: 10_029_10

19 January 2022

Mr. Charles Millstead,
Chief Executive Officer
Queensland Competition Authority
GPO Box 2257
Brisbane QLD 4001

Dear Sir,

Pioneer Valley Water Co-operative Ltd., (PVWater) was established to distribute irrigation water to irrigators in the Pioneer Valley, predominately for sugar cane farming.

The water energy nexus is not well understood outside the irrigated farming community, however, water and energy are two of the most important inputs to our sugar cane industry. PVWater's 376 allocation holders, farm on approximately 22,000ha and have a total allocation of 47,390 ML.

A significant percentage of the power for our irrigators comes from grid supplied electricity. Energy Consumers Australia (ECA) have defined the role of the grid supplied electricity system as providing *comfortable homes* and *competitive businesses* and that in order to achieve this role the system needs to *be affordable, individualised and optimised*.

Affordable

Our members are all attempting to operate competitive farming businesses and we have identified that an affordable tariff is one that has a ceiling of 16 cents per kilowatt hour. This is based on a network charge (N) not exceeding 8 cents and a retail charge not exceeding 8 cents. (GST excluded).

We also request that QCA investigate and clearly identify the total revenue collected by the Jurisdictional Scheme components embedded in the Network charges applied to all customers to fund the Solar Bonus 44cFiT. This subsidy significantly impacts our members and our view is that it should be a separate Community Service Obligation (CSO) funded from Treasury, as was the case in the three years to 2019-20.

Individualising and Optimising Existing Tariffs

The ability to access the dynamically operated load control tariff series for irrigators (T33, T34, T60A and T60B) is a working example of optimisation that has been welcomed by our members, particularly those that produce irrigated sugarcane with systems other than furrow (flood) irrigation.

Unfortunately, PVWater is unable to utilize these load control tariffs as we have members on some of our schemes (we have 140 km of pipelines and watercourses) for whom we have to pump water for up to five days constantly, to ensure they receive their orders. If we stop pumping due to load shut-down then we will create “holes” in the scheme that will adversely affect the irrigators who are depending on the supplementary supply of water.

As we are Large Users then we are limited to using demand tariffs that are adversely affected by start-up spikes when we commence or increase pumping rates. The maximum demand on any day in the month is charged for each day of that billing period regardless of whether we use any electricity at all during the period.

With regard to individual farmers in our scheme, we note that Minister de Brenni has drawn particular reference to Tariff 12B (Residential TOU)as having potential to be a solar soaker tariff. We would request that QCA investigate the potential for Tariff 22B to become a solar soaker for irrigators and all other small business customers.

Including a lower day time rate for this tariff would have multiple benefits, i.e. encouraging greater energy usage during the day and in turn assisting with emerging issues associated with minimum system load, reduce network demand pressures in the evening and provide farmers with increased tariff choices to enable improved productivity.

We also suggest that consideration be given to allow SAC irrigation customers that are classified as large that operate in the 100 to 160 MWh bracket be able to access this tariff.

Please call should you require further information or clarification.

Yours faithfully,

A handwritten signature in black ink, appearing to read "Steven Ford". The signature is written in a cursive, flowing style with a large initial 'S'.

STEVEN FORD
GENERAL MANAGER.