QUEENSLAND PRODUCTIVITY COMMISSION

RIS Ref: DEWS665-0517
File Ref: DOC17/1601

23 May 2017

Mr David Kearney
A/Principal Policy Officer
Energy Industry Policy
Department of Energy and Water Supply
Level 8, 1 William Street,
BRISBANE QLD 4000

Dear Mr Kearney

Decision Regulatory Impact Statement – Queensland's Statutory Voltage Limits

Thank you for your enquiry of 5 May 2017 seeking advice on the adequacy of the Decision Regulatory Impact Statement (RIS) Queensland's Statutory Voltage Limits.

The Department of Energy and Water Supply (the Department) proposes amendments to the *Electricity Regulation (Qld) 2006* (the Regulation) to change the statutory voltage limits.

In its Decision RIS, the Department notes the increasing occurrence of *voltage rise* on Queensland's electricity network is caused by an increase in electricity export levels from embedded solar photovoltaics (PV). The Department investigated and assessed the impacts on affected stakeholders of amending the Regulation to adopt the international best practice standard of 230 volt standard + ten per cent/- six per cent' (the standard) under three separate scenarios:

- Option 1: retain the existing voltage requirements
- Option 2: adopt the standard with full compliance by distributors in seven years (broadly in line with distributors' standard operation and maintenance schedules)
- Option 3 (preferred): adopt the standard with full compliance by distributors in three years (distributors to develop and implement a dedicated program to fast track implementation).

The Department sought and received stakeholder and community feedback on these options through a Consultation RIS. The Department received 116 written submissions from: AGL; Energex and Ergon Energy; Master Electricians Australia; Origin Energy and 111 submissions forwarded on behalf of individuals by Solar Citizens.

The Department advises that all submissions supported adoption of the standard, with the majority preferring option 3.

The purpose of a Decision RIS is to incorporate the outcomes of consultation to inform the decision maker of submissions received and how those views were taken into consideration in developing the

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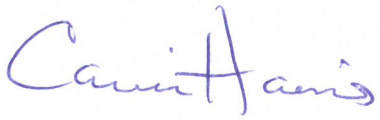
final recommendations. The Queensland Productivity Commission (the Commission) notes the Department's preferred option has not changed.

In assessing the Decision RIS, the Commission considers the Department has summarised the key issues raised in submissions to the Consultation RIS and responded to these issues where appropriate. Given this, the Commission considers the Decision RIS is adequate to support the regulatory proposal.

Please provide the Commission with a final copy of the Decision RIS and advise of any material changes prior to publication. Please also advise when the Decision RIS has been published by the Department. In accordance with the Queensland Guide to Better Regulation (the Guidelines), the Decision RIS and this letter of adequacy will also be published on the Commission's website.

Thank-you for the opportunity to comment on this Decision RIS. Please contact Dominic O'Neill, Senior Analyst on (07) 3015 5164 if you require any additional information or guidance in relation to the above comments or the Guidelines in general.

Yours sincerely



Carrie Haines
Team Leader