



**ENERGY FOR PEOPLE,  
NOT PROFIT.**



## **THE POWER FOR PEOPLE PLAN:**

**DISTRIBUTION & GENERATION**

## **TAKING BACK CONTROL OF OUR ENERGY SYSTEM**

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## **PHASE TWO: TAKING BACK CONTROL OF OUR ENERGY SYSTEM**

Over the last 20 years Queensland's energy system has been privatised and corporatised. In phase one of our Power for People Plan we proposed scrapping private electricity retailers and introducing a single public retailer for all Queenslanders.

In phase two we address the privatisation of electricity generation and the corporatisation of the publicly owned companies: Energex, Ergon, CS Energy and Stanwell.



## PUTTING POWER GENERATION IN PUBLIC HANDS

Labor and the LNP have overseen the privatisation of power generation in Queensland by allowing private companies to build and own power stations like coal, gas and all solar farms.

They have ignored the possibility of large-scale public ownership of clean energy. Power generation is an important basic necessity, and it should be in public and community hands.

### The Greens would:

- ▲ Legislate a long-term objective to bring electricity generation under public and community ownership.
- ▲ Invest \$15 billion over the next 5 years to build publicly-owned clean energy and storage; creating 5,500 jobs every year.
- ▲ Crack down on price-gouging by private and public coal and gas generators by changing the rules of the wholesale electricity market.
- ▲ Shift publicly owned generation companies CS Energy and Stanwell away from their corporatised, profit-making model towards efficient public authorities.

## STOPPING PUBLICLY-OWNED GRID COMPANIES RIPPING OFF QUEENSLANDERS

Unlike other states, Queensland's power grid (often called the poles and wires) was never privatised. However, all State-owned grid companies are now forced to operate under a corporate, profit-making model with regulations designed to maximise profits.

Energy Queensland (formerly Energex and Ergon) and Powerlink make billions of dollars a year by passing on unnecessary costs to Queenslanders. Our plan would stop the rip-offs and force Energy Queensland to act in the public interest.

### The Greens would:

- ▲ Stop Energy Queensland and Powerlink from paying massive dividends at the expense of low-income households.
- ▲ Transition Energy Queensland and Powerlink away from a profit-making corporatised model, towards efficient public authorities which have affordable, reliable, clean energy enshrined in their objectives.

Regulation of network companies under the National Electricity Market (NEM) is broken. If reforms to the NEM to make electricity affordable and clean do not succeed, we will also take back control from the Australian Energy Regulator and the Australian Energy Market Commission.

This would bring back regulation of energy networks to the State level in order to stop the rip-offs.

# PUTTING POWER GENERATION IN PUBLIC HANDS

## PUBLIC AND COMMUNITY OWNERSHIP

The Greens believe that electricity is a basic necessity, not a means for making massive profits.

Our plan to bring electricity generation under public control will cut power prices and pave the way to a fairer, 100% clean energy future.

We need to transition to 100% clean energy as rapidly as possible to protect Queenslanders from dangerous global warming, and the Greens welcome all investment in clean energy. However, we believe that in the long term, energy generation should be under public or community ownership, not owned by private companies out to make a profit.

**The Greens will legislate to establish a long-term objective to bring electricity generation under public and community ownership.**

The Queensland government has a policy of never building any new publicly owned power stations. We would scrap that policy.

## 5,500 JOBS

Large sections of Queensland are currently facing a recession with high unemployment and low wages. Our proposal will create 5,500 full time jobs in design and construction every year for five years. This does not include operation and maintenance jobs, which would be additional.

Unlike private generation projects, these public generators would not be built to make a profit. This will drive down the cost of power even further.

## PRODUCTIVE, DEBT FUNDED INFRASTRUCTURE

A clean energy future must also be a fairer future. The Greens will build publicly-owned clean energy like wind and solar, and facilitate community-owned clean energy instead of letting the private market take control of our energy system.

We will invest \$15 billion over the next 5 years in productive, clean energy generation capacity, using debt-funded infrastructure investment and taking advantage of record low interest rates. These productive, publicly owned assets will be able to produce a modest return that will pay off the investment over time.

This plan is not designed to make a profit, meaning prices can be lower. This investment will be supported by the federal Renewable Energy Target, the Clean Energy Finance Corporation and direct investment from the Queensland government.



# CRACKING DOWN ON PRICE-GOUGING IN THE WHOLESALE ELECTRICITY MARKET

This year, Queensland has experienced wholesale electricity price spikes due to electricity generators, including Origin, Stanwell and CS Energy manipulating supply by price-gouging, and due to high gas prices.

These price spikes are not caused by clean energy, and they are far worse than those experienced in South Australia. The South Australian price spikes in July 2016 were highly controversial, while those in Queensland barely received any media coverage.

In January 2017, the wholesale price for electricity in Queensland jumped to above \$13,000 per megawatt hour a total of 71 times.<sup>1</sup> By comparison, in July 2016 South Australia's wholesale price spiked above \$13,000 per megawatt hour 32 times, less than half as many times.

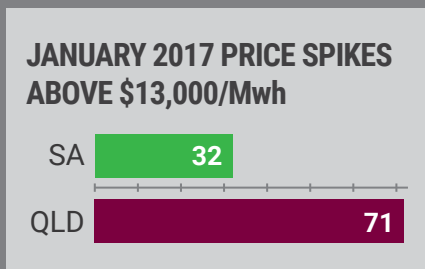
This price-gouging includes "rebidding" by generators changing their offers of electricity to the wholesale market from low prices to very high prices at the very last moment, meaning other generators do not have a chance to respond by increasing supply.

The Queensland Greens will crack down on price-gouging by private and public coal and gas generators by changing the rules of the wholesale electricity market. This will reduce wholesale electricity prices in Queensland and reduce price-gouging.

One proposal is to introduce a "five minute settlement" rule in the wholesale electricity market to make sure fossil fuel generators cannot push up the wholesale price by late rebidding.

The Queensland Greens will also phase out and ban "dividends" paid to the State government by publicly-owned electricity generators like Stanwell and CS Energy. Ultimately, ordinary Queenslanders pay for those dividends via higher prices, so price-gouging by these companies is a regressive tax on the lowest-income households. These two public companies are set to pay \$954 million to the State government in the next four years.

The Greens will shift publicly owned generation companies CS Energy and Stanwell away from their corporatised, profit-making model towards efficient public authorities.



## POWER GENERATION IS BEING PRIVATISED BEHIND OUR BACKS...

Right now, Labor is allowing "privatisation-by-stealth" of Queensland's power generators. Labor's plan relies on private corporations to build and own all new renewable power generation without even considering the possibility of publicly owned and built renewable power generation.<sup>2</sup>

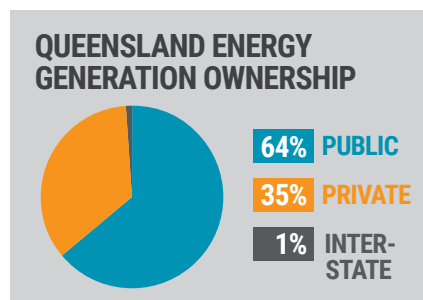
**The Greens will stop this "privatisation-by-stealth" through direct government investment in ownership of new clean energy.**

Everyone knows that in the long term, clean energy makes electricity cheaper. While power generators are privately owned, a profit motive will always exist, driving up prices. Public and community ownership will allow Queensland to take advantage of future technological innovations and aim for very low-cost electricity.

## THE CURRENT PUBLIC / PRIVATE BREAKDOWN

At the moment, the Queensland electricity generation sector is largely publicly owned (64% of capacity), with significant private ownership by Intergen, Origin, Arrow, Alinta and others (35% of capacity), while 1% of electricity is sourced via interconnectors to other States.<sup>3</sup>

On current trends the percentage of our generation sector that is privately owned will increase as all new power generation is built by private corporations.



## WHAT ABOUT CURRENT PRIVATE CLEAN ENERGY PROJECTS?

Existing private clean energy projects should proceed. Many of those projects were funded under the Clean Energy Finance Corporation and the Australian Renewable Energy Agency which were created by the Greens in 2012.

In the short term, we need every shoulder at the wheel to solve the climate crisis, but in the long term, Queensland must move towards public and community ownership to ensure the cheapest and most reliable electricity possible.

It is vitally important that the government ensure a just transition away from fossil fuels that looks after workers and communities.

The Greens will be announcing further policies to ensure a just transition in coming months.



## STOPPING PUBLICLY-OWNED GRID COMPANIES RIPPING OFF QUEENSLANDERS

### BANNING “DIVIDENDS” PAID TO THE STATE GOVERNMENT

Luckily, Queenslanders have stopped the privatisation of our electricity networks, Ergon, Energex and Powerlink, despite previous attempts by the LNP to sell them off.

Unfortunately, these publicly-owned corporations are still ripping off Queenslanders because they are operating on a corporatised, profit-making model with regulations designed to maximise profits.

The Greens would phase out and ban the “dividends” paid to the State government. Instead, any surplus generated by public companies must be invested in keeping power bills down. These profits flow from a regressive tax that hits the lowest-income households hardest, because each household is charged the same amount, whether they are wealthy or struggling.

We would transition Energy Queensland away from a profit-making corporatised model, towards an efficient public authority which has affordable, clean energy enshrined in its objectives.

### MAKE THE BIG END OF TOWN PAY THEIR FAIR SHARE - INSTEAD OF UNFAIRLY TAXING QUEENSLANDERS

The 2016-17 Queensland Budget Paper 2<sup>4</sup> predicts total dividends of \$3.1 billion over four years from the electricity networks, and \$954 million from electricity generators.

Right now this money is coming out of the pockets of the lowest-income Queensland households.

The two old parties rely on this model because property developers and billionaires can afford to pay their fair share, but the two old parties are too afraid to go after their major donors.

Throughout the election, the Greens will be releasing a series of major revenue raising measures which target the billionaires and big corporations. They'll include abolishing subsidies for mining companies, and raising taxes on property developers and the big end of town.

### TAKING BACK CONTROL OF OUR NETWORKS

Regulation of network companies under the National Electricity Market (NEM) is broken. If reforms to the NEM to make electricity affordable and clean do not succeed, we will take back control from the Australian Energy Regulator and the Australian Energy Market Commission. This would bring back regulation of energy networks to the State level in order to stop the rip-offs.

#### **There is an urgent need for a public authority to plan investments and coordinate the grid.**

As well as phasing out and then banning “dividends”, we will take back control from the Australian Energy Regulator and the Australian Energy Market Commission, bringing back regulation of energy networks to the State level in order to stop the rip-offs in the future.

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**QUEENSLAND GREENS**

07 3357 8458

[office@qld.greens.org.au](mailto:office@qld.greens.org.au)

102 McDonald Road, Windsor, QLD 4030

PO Box 661, Albion DC, QLD 4010

Find us on 

**[GREENS.ORG.AU/QLD](http://GREENS.ORG.AU/QLD)**