Mirabou Energy

Level 9, 316 Adelaide Street, Brisbane, QLD 4001
Level 1, Ports North Building, Cairns Qld 4869

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AUSTRALIAN ENERGY REGULATOR: ERGON ENERGY CORPORATION LIMITED SUBMISSION - RING-FENCING WAIVER PROVIDE DISTRIBUTION AND GENERATION SERVICES IN QUEENSLAND'S ISOLATED NETWORKS

Consultation Paper – Potential conditions and duration to grant waiver: Public Submission

Mirabou Energy and our subsidiary company, Mirabou Energy Remote Power Systems (MERPS), provide this public submission to the Australian Energy Regulator's (AER) consultation on potential conditions and duration were the AER to decide to grant Ergon Energy a ring-fencing waiver to provide distribution and generation services in Queensland's Isolated Networks.

Mirabou and MERPS are developing behind-the-meter and in micro-grid renewable energy power generation and storage solutions for our customers who are currently receiving electricity services from Ergon Energy Corporation Limited in its Isolated Networks. To date, we have proudly provided our services with the support of our customers and our own investment based on the aspiration of ensuring that the energy transition occurs in a fair and equitable manner.

To this end we commend the AER's attention to electricity service delivery in Isolated Networks and on ensuring that we are maximising public benefit from the current suite of legal and regulatory arrangements, namely, the approved ring-fencing waiver for Ergon Energy with regard to power generation and network distribution.

The AER's consultation on Ergon Energy's power generation and network ring-fencing waiver application and behind-the-meter generation services in Isolated Networks has highlighted ambiguities on:

- whether the National Electricity Law and Regulation and National Electricity Retail Law and Regulation applies to Ergon Energy's Isolated Networks
- the role of other jurisdictional authorities, such as the Queensland Competition Authority (QCA) and the Energy and Water Ombudsman, and
- Ergon Energy Network Limited's role in being its own technical and performance standards regulator with regard to Isolated Networks.

These ambiguities are the driver of the AER's findings in the consultation paper[1]. Mirabou has reviewed the AER's proposed conditions and provides the following suggestions.

1. Coverage for the power generation and distribution ring-fencing waiver

Mirabou suggests that AER makes specific that Ergon Energy Corporation (EE) ring-fencing waiver application only be allowed for network and current diesel generation. Put simply, Mirabou suggests that the waiver approval includes a condition that Ergon Energy is not able to utilise the ring-fencing waiver to build and operate new renewable energy assets in the Isolated Networks.

Such an arrangement will require Ergon Energy to establish transparent and fair requirements for connection, consistent with Chapter 5 of the NER, applying to all prospective renewable energy generators including itself

[1] AER (Sept 2025) "Consultation – potential conditions and duration if the AER decides to grant Ergon Energy a ring-fencing waiver to provide distribution and generation services in QLD's isolated networks", page 2.

(Ergon Energy or a subsidiary or sister entity). This would ensure the emergence of fair competition and also ensure that developers are acting consistently with legal, policy and regulatory requirements for development including those relating to social license.

2. *Duration for the power generation and distribution ring-fencing waiver*

Mirabou suggests that the AER approve the waiver to apply until 30 November 2028 and then on a three year rolling re-assessment basis. We consider that shorter duration approval periods provide ongoing oversight by the AER and acts as an important incentive for Ergon Energy to put into place the necessary arrangements to comply with the waiver approval and or the NEL and NER.

3. *NEL and NER compliant connection, performance standard and customer protections*

Mirabou suggests that the conditions of the AER approval of the waiver should be to provide Ergon Energy with a reasonable period to implement policy and guidelines:

- For a reasonable and fair connection process, that does not impose complex, time consuming and costly electrical modelling requirements which impose a barrier to entry and are essentially redundant in remote micro-grids (i.e a 'fit for purpose' requirement for network modelling) that do not possess the complexities of NEM operations, for prospective participants to connect non-behind-the-meter renewable energy and storage assets and behind-the-meter renewable energy assets in Isolated Networks (applicable to Ergon Energy)
- Publish the various network and power generation performance statistics noted in the AER consultation paper, namely:
  - A network plan to show required renewable energy assets to achieve reduced CO_2e in line with the Australian Government targets
  - Performance standards on electricity supply reliability, stability and quality of electricity services
  - Performance standards on customer outcomes around performance of pre-paid meters, payments of non-compliance with guaranteed service levels.

Mirabou also suggests that as part of the approval that the AER requires Ergon Energy Isolated Networks to release a public report 30 business days from the end of financial or calendar year a 'report card' covering:

- Network connections: number, duration to connect, disputes
- Network performance: reliability, stability and quality of electricity services
- GSL payments and performance of pre-paid meters, ie number of pre-paid meters audited that year, findings on discrepancies for example an annual report on each Isolated Network noting how long, on average, a $50 pre-paid card lasts.

To support the public report, Mirabou suggests that the AER makes the report subject to its ongoing oversight.

If you would like to discuss any aspect of this submission, or require any further information, please do not hesitate to call me on [redacted]

Kind regards,

[redacted]

James Reynolds

CEO

Mirabou Energy