Mr Chris Pattas and Mr Sebastian Roberts

General Managers

Australian Energy Regulator

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Dear Sirs,

Cotton Australia welcomes the opportunity to provide this brief letter of support for the CANEGROWERS submission to the Australian Energy Regulator on the recently released Expenditure forecast assessment guideline and the Expenditure forecast assessment guideline.

Cotton Australia often works closely with CANEGROWERS as we share many common issues, and we are formally linked through our memberships of the National Farmers Federation and the Queensland Farmers Federation.

Like canegrowers, cotton growers and ginners have a high reliance on electricity an energy source, and have been impacted significantly by the rapidly increasing cost of electricity. Over the past decade electricity prices for our growers and ginners have doubled, with annual electricity price increases mostly far in excess of the inflation rate.

Much of this increase can be linked to electricity network cost increases, and, in particular for our irrigators, the continued move to “demand based” tariffs.

Proposed “demand based” tariffs for Queensland irrigators have been modelled to have the potential to drive electricity prices up a further 200-300% on adoption, which would make the use of electricity entirely uneconomic and drive irrigators to alternative energy sources such as diesel or gas.

Therefore Cotton Australia is keenly interested in the setting of network charges and the design of network tariffs.

Cotton Australia would like to acknowledge the work that CANEGROWERS have invested in developing its comprehensive submission, and looks forward to the AER responding to the many issues raised by CANEGROWERS.

Yours Sincerely,



Michael Murray

QLD Policy Manager, Cotton Australia