LOCAL GOVERNMENT NSW

Our ref: R90/0748-07 Sub-615
Further contact: Denise Anderson

19 March 2020

Australian Energy Market Commission
Attn: Samuel Martin
PO Box A2449
SYDNEY SOUTH NSW 1235

Dear Mr Martin

Submission to the Retail Energy Competition Review: electric vehicles

Local Government NSW (LGNSW) is the peak body for local government in NSW, representing all NSW general purpose councils and related entities. LGNSW facilitates the development of an effective community based system of local government in the State.

LGNSW welcomes this review into the impact of electric vehicles (EV) on the electricity market. NSW councils support the uptake of electric vehicles to reduce community carbon emissions.

LGNSW has limited its responses to those questions of greatest relevance to councils, and consequently has skipped question 2 on the retail market and question 6 on EV value streams.

Context
Q1. Are there any other contextual developments the Commission should consider in relation to EV uptake and use in Australia?

The transport sector contributes some 18% of Australia's total greenhouse gas pollution and Australia is ranked second worst in an international scorecard for transport energy efficiency. EVs provide a viable move away from fossil fuels and contribute to emission reduction goals.

Local government plays a key role in enabling EV uptake by:
- Procuring EVs as part of their fleets e.g. Wagga Wagga City Council
- Using the landuse planning system to encourage EV charging infrastructure in high density residential, commercial and industrial developments e.g. City of Sydney.
- Development of policies that encourage third parties to install EV charging including incentivising through the use of public land e.g. Hornsby Shire Council,
- Installing public EV charging infrastructure e.g. City of Newcastle, Willoughby City Council, Waverley, Woollahra and Randwick Councils, Byron and Tweed Shire Councils.

These actions both encourage the market for EVs and address the two main barriers to EV uptake of access to charging infrastructure and drivers' range anxieties.

Regulatory barriers
Q3: a. Do you consider that regulatory changes, like multiple trading relationships, that improve a consumer's ability to engage with multiple financially responsible market participants

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(FRMPs) at a household would enable innovative services and products to develop for EV consumers? b. Do you have any views on an appropriate method (e.g. through a change to the Small Generation Aggregator (SGA) framework or an alternative metering configuration), and relevant costs, to facilitate this?

Any person who sells energy "to a person for premises" in the National Energy Market is required to have a retailer authorisation or hold an exemption. NSW councils have been able to secure an exemption from holding an energy retailer authorisation with little imposition. Some councils have investigated gaining retailer authorisation as they also generate renewable energy, however the complexity associated with this process is unattractive for councils.

Most councils that provide EV charging infrastructure co-locate at an existing community facility. This has enabled the EV charging to occur at the existing tariff as no EV specific tariff was available.

Where councils have installed charging infrastructure in locations that require a new connection such as a carpark, the tariffs offered have not been on par with what councils can normally secure for their community buildings.

Multiple trading relationships could be beneficial when third parties use council owned land and facilities to install and operate electric vehicle charging. LGNSW also notes this would be beneficial in strata and commercial premises.

Dynamic load control that uses distributed energy such as solar and battery storage to control loads on electricity networks would be welcomed. Councils are charging customers a flat rate for energy usage rather than the actual cost of electricity during demand spikes. City of Newcastle has limited their exposure to peak demand prices by installing large amounts of battery storage. However, due to site constraint this is not always feasible and is expensive. These products have been procured separately as few installers are proficient and cost effective in providing EV charging technology, decentralised energy generation and battery technology.

Residential charging

Q4: a. Are there other offers in the retail market, or are you developing any others, aimed at EV consumers? b. Are there retail market barriers in developing residential products and services for EV consumers?

Ad hoc charging in multi-unit residential development has the potential for unsafe practices and to increase peak demand loads on the grid. While council can specify requirements for new developments to be EV ready, there is no mechanism to ensure the same applies to existing multi-unit development except potentially through limited compliance action and market forces. Some of the barriers faced by existing development include:

- Age and compliance of electrical distribution boards and whether there is the physical space on those boards to add EV charging.
- User pays considerations when connecting to common area distribution boards.
- Placing EV charging in visitor parking bays may be considered a ‘change in use’ and attract additional land taxes.

- By-laws need to be established to govern capital costs, usage, payment, charging speeds, installation and un-install (when the unit owner sells).
- Installation of a load management system.

There are packaged commercial products that address these issues for strata and other building schemes. However, these need to be sourced at the building management level. In the absence of a whole of building approach, individual unit owners may continue to have unsafe charging habitats with extension cords in common areas and undesirable load profiles.

Non-residential charging
Q5: a. Are you providing or developing any non-residential charging products or services? b. Are there retail market barriers in developing non-residential EV charging products and services?

Local government is concerned with how to accommodate residents that do not have off-street parking and want to own an EV. Councils are very keen to avoid situations where extension cords are across the public domain such as nature strips and footpaths. It will take a long time to get ubiquitous coverage of charging stations and in the interim they will need to regularly visit a charging site rather than top up overnight. A solution would be to install Level 1 type power bollards on street kerbs (or in light poles). However, the high costs of installing a new meter for every charge point along the kerbside is a significant barrier.

Energy Networks currently do not allow for connections of their Pillars through a PUMS (permanently unmetered supply) or other types of connection outside their current offerings. Ausgrid has largely stepped away from PUMS and doesn't generally allow energy supply through the street lighting network (which would be the best option for councils).

Conclusion
Local government is using its available levers to encourage the uptake of electric vehicles through providing charging infrastructure and using the planning system to encourage new development to either install EV infrastructure or be capable of it at a future date. However, this has limited effectiveness for existing development. Competitive charging products and services plus pricing signals would help encourage behaviour that would benefit consumers and the whole electricity system.

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Yours sincerely

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