May 2025

To the Australian Energy Regulator (AER)

Via email: vic2026@aer.gov.au

With regard to:
AusNet Services - Determination 2026–31 | Australian Energy Regulator (AER)
AER Issues paper - CitiPower, Powercor and United Energy electricity distribution determinations 2026-31 - March 2025 | Australian Energy Regulator (AER)
Jemena - Determination 2026–31 | Australian Energy Regulator (AER)

Introduction

The mission of the Electric Vehicle Council (EVC) is to drive investment and awareness to accelerate the electrification of transport, for a more sustainable and prosperous Australia. As the market is emerging in Australia, our work is particularly aimed at increasing certainty for investment through policy, knowledge sharing and education. The EVC appreciates the opportunity to contribute to the AER's process.

Demand/capacity charges for EV charging locations

The EVC is pleased to see the ability to opt-out of demand or capacity charges for sites consuming less than 160MWh per annum written into the proposals. As noted in the issues papers, this was initially at the behest of a Victorian Government Order in Council, but it is good to see the DNSPs adopt it into their business as usual.

This gives sites like irrigators, sports stadiums and all EV charging stations with occasionally peaky loads but overall low consumption, the option of a tariff that allows affordable electricity.

However, we argue that more can be done and there is a strong case for tariff reform. We support further tariff trials and innovation leading to greater utilisation of the network.

2-way tariffs

Export reward inextricably linked to export charge:

For all DNSPs there is an export charge for exporting solar during the solar soak period on their CER or Export tariff. This charge is not found in the TOU tariffs or flat rate tariffs

meaning there is an exit route for consumers not wishing to pay the DNSP for solar exporting in the middle of the day as it is designed to do.

The CER or Export tariffs are the tariffs supposedly designed to incentivise V2G. They consist of peak charges, off-peak charges, daily supply charges and a reward for export during the peak period. This export reward is the critical piece to incentivising V2G or export from stationary batteries. When the price signal to go onto the CER/Export tariff is not strong, the presence of the export charge might be enough to dissuade a potential V2G participant from making the appropriate investments. The export reward is inextricably linked to the export charge and consumers may go for the TOU tariff instead and not export energy during peak times.

Demand Response

The EVC did not note any specific reference to new demand response initiatives or trials geared towards lowering demand during peak periods or critical peak events, from any DNSPs. This is disappointing considering reducing demand in peak periods can lower emissions and put downward pressure on electricity prices. For consumers this can be as simple as turning down their air conditioners, choosing the microwave instead of the oven or deciding to run that dishwasher or clothes drier later.

Jemena flagged a project under the DMIAM (Demand Management Innovation Allowance Mechanism) incentive scheme that will include a dynamic electric vehicle charging trial. Presumably this project will allow consumers to opt-in to having their EV charging controlled during peak periods for a reward. While the EVC supports this being an option for consumers, we note that the bulk of system benefit can be realised through competitively priced TOU tariffs which offers consumers significant savings through shifting their EV charging load.[1]

The EVC would like to see the expansion of programs such as the United Energy Summer Saver program[2] which has been successful in encouraging participants to reduce their consumption during specific events, for a reward per kWh. It is not clear why these kinds of programs have not been taken up by all DNSPs and United Energy should be commended for their commitment to the program.

Sufficient resourcing

The EVC hears from its members that processing times for installation connections, network upgrades and assessments are too slow. Connection delays introduce additional barriers to EV charging installations as well as cost and thus can impede take-up. This is not publicly expressed as often as it occurs for fear of retribution or discrimination, though some do.[3] These concerns are more often relayed in anonymous settings.[4]

---

[1] Home EV charging and the grid: Impact to 2030 in Australia - Electric Vehicle Council
[2] Summer Saver - United Energy
[3] Fuel giant Ampol says delays in grid connections hold up rollout of EV fast-chargers
[4] State of EVs 2024 - Electric Vehicle Council p.57

The AER could seek to have processing times against resourcing reported as a part of their better resets handbook, to ensure investment in people and systems at DNSPs is heading in the right direction to enable the transition in time to meet emissions targets[5].

There is a wide range of processes across networks and the uncertainty created for customers introduces business risk. Connections need to be timely and cost effective to encourage greater use of networks and improve confidence. The EVC calls for more harmonised;

- connection processes,
- regulatory proposals,
- tariff structure statements, and
- pricing schedules etc.

among the DNSPs to make analysing and comparing DNSP performance easier.

Individual DNSP-Specific Submissions

Powercor

Sharpen pricing:
In the Powercor explanatory statement[6] they write "4pm-9pm export credit: the export credit should be no more than the long run marginal cost (LRMC) otherwise we will embed a cross-subsidy. The LRMC in summer/winter is 8 c/kWh and we propose an export credit of about 7c/kWh in the summer/winter months." The EVC would support this price signal being as strong as possible, as this will incentivise V2G the most. The 7c/kWh export credit is in place for Citipower and United Energy as well. We note that the price is strongest in the Jemena area at 13.5c/kWh.

Powercor has peak import at ~30c/kWh for the CER tariff, Citipower 27c/kwh and United energy ~25c/kWh. To use a rule of thumb, retail electricity prices are typically about 3x the network rate. A peak import cost on a CER TOU tariff of around 90c/kWh is very high compared to the peak rates Victorian consumers are accustomed to at present (ranging from 40-70c/kWh depending on the area and retailer.

The TOU tariff PRSTOU peak rate has increased 30% from a year ago, 18.34c/kWh to 23.91c/kWh. This is a significant increase and it is unclear what has brought it about. The result is that the TOU tariffs now look similar to the CERTOU tariffs.

Typically, electricity transfer of exported energy during peak periods will be over relatively short distances, with one household supplying a neighbour on the same street. Maintaining infrastructure to enable this has a cost, one might expect the cost to be 4-5c/kWh perhaps, about half what it is across the whole distribution network. It is not clear to the EVC why the cost differential between someone exporting and someone importing at peak time should be 23c/kwh. The DNSP appears to be capturing the majority chunk of

[5] Net Zero - DCCEEW
[6] REGULATORY PROPOSAL 2026–31 p28

the benefit provided by the household that has invested in the behind-the-meter (BTM) storage infrastructure, be it V2G or stationary battery.

Further, in the section relating to the peak/off-peak ratio Powercor suggests they "propose to increase the peak/off-peak ratio in summer/winter which will benefit flexible customers who should consume less in peak periods and more in off-peak periods." 30:7 is a ~4:1 ratio. The EVC wonders in which direction they would seek to increase the ratio; either increase the CER import charge above 30c/kWh or decrease the CER export reward below 7c/kWh, or both. This is concerning as it does little to encourage consumers to take up the 2-way tariff or incentivise V2G.

To illustrate this point, we have provided a basic example in the table below which the compares two customer types; one not utilising V2G and utilising a little V2G. The two customer types are then compared based on which tariff they're on from the Powercor tariff schedule including where the peak/off-peak ratio of the CER tariff (PRCER) has been increased (peak @ 35c/kWh and peak export @ 6c/kWh).[7] It shows that a customer doing light V2G by exporting 15kWh on 10 days of the year will be worse off on the PRCER tariff. The customer would need to export 15kWh on 15 days of the year to draw even with PRSTOU. These tariffs will only to be available for 6 months of the year or about 182 days, so the kind of export levels to properly benefit and incentivise may not be achievable for many.

Customer type 1			Customer type 2 - Light V2G	
Consumtption off peak (kWh)	2600		Consumption off peak (kWh)	2600
Consumption at peak (kWh)	1400		Consumption at peak (kWh) (NB. other half is self-consumed)	700
			Export as V2G (kWh) (10 days a year)	150
			Off-peak import for v2G (kWh) (Serving export and self consumption)	850
			Off-peak import for vehicle charging to serve transport task (kWh)	2000
D1 (flat rate) ($)	609		D1 (flat rate) ($)	852
PRSTOU (TOU) ($)	645		PRSTOU (TOU) ($)	648
			PRCER (TOU) ($)	652

These CER TOU tariffs will instead need to be sharpened to incentivise and demonstrate benefit to consumers who invest in infrastructure that can support the grid and push down power prices for everyone, rather than the networks.

Without more favourable tariff arrangements, Victorians may experience slower take up of V2G than their peers interstate, which may also have implications on the electricity cost efficiency.

[7] PAL ATT TSS.01 - SCS indicative prices - Jan2025 | Australian Energy Regulator (AER)

Citipower

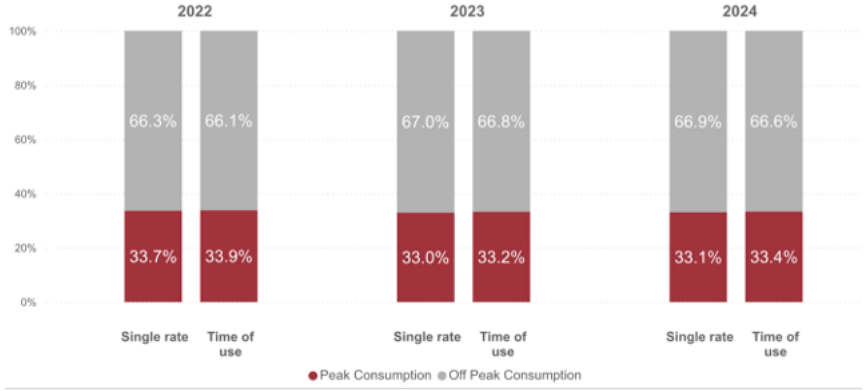
Citipower also "propose to increase the peak/off-peak ratio in summer/winter which will benefit flexible customers who should consume less in peak periods and more in off-peak periods."[8] It's a very open statement, they could conceivably increase the ratio quite considerably. The AER should compel Citipower to reduce the peak:off-peak ratio, not increase it.

Jemena

TOU tariffs:

When discussing the consumption differences between residential customers on single rate and TOU tariffs, the tariff structure statement states "This demonstrates that, on average, there has been no significant consumption response to residential TOU pricing signals."[9] This is a misrepresentation and potentially damaging to the understanding of the effectiveness of TOU tariffs.

Figure 4-3 Proportion of peak and off-peak hours consumption by financial year and tariff



Source: JEN

What these numbers actually reflect is consumers on a network TOU tariff, not a retail TOU tariff, so of course there is not a behaviour change.

When consumers are on retail TOU tariffs, particularly consumers with an EV, we see significant behaviour change that supports the grid, drives down electricity prices and consumer bills.[10]

The AER should caution DNSPs against making misrepresentations of this nature.

Pole-mounted chargers:

The proposal states "consistent with our current approach, we will charge a fixed fee to cover the costs we incur in completing the work for basic connections, where little or no augmentation of the network is required."[11] The EVC proposes that this same approach be applied to pole-mount chargers. By applying Chapter 5A of the NER[12] to pole-mount

[8] Regulatory proposal 2026–31 p 28
[9] 2026-31 Electricity Distribution Price Review Regulatory Proposal p8, 9.
[10] Home EV charging and the grid: Impact to 2030 in Australia - Electric Vehicle Council
[11] JEN 2026-31 PROPOSAL
[12] NER - v146 - Chapter 5A.pdf

chargers, proponents will be sure of the additional cost to connect the EVSE. AER could allow DNSP expenditure for workstreams that incorporate pole mounted connections into normal connections process, much the same as premises connections are, for example.

CPPCUE

Citipower, Powercor & United Energy (CPPCUE), have opted to incorporate seasonality into their CER 2-way tariffs.[13] This allows more cost reflective pricing which should lead to greater network utilisation but, we note that consumers often call for simplicity.[14] While some retailers may smooth this out through not passing on the seasonality, some may not. If retailers pass this through it may be too complex for consumers and garner poor participation and weak behavioural response.

We also note that the difference between peak import and peak export for Powercor is ~23c/kWh in Summer/Winter months (30-7), while the difference in the shoulder months is ~24c/kWh (23.8-0).
Likewise in the United area, the difference between peak import and peak export is ~18c/kWh in Summer/Winter months (25-7), while the difference in the shoulder months is ~19c/kWh (19.1-0).

The chunk of the benefit DNSPs are taking for themselves in the Summer/Winter months is too great, and the chunk in the shoulder months is even larger.

Issues paper questions

“Are there formal mechanisms the distributors could pursue or develop to identify small customers with electric vehicle supply equipment (EV chargers)? “

Energy Safe Victoria (ESV) should add a checkbox to their Certificate of Electrical Safety (CoES) so that an electrician can easily indicate that an EVSE has been installed. Victorian DNSPs have access to smart meter data and ~99% of Victorian NMIs have a smart meter.[15] The EVC recommends analysis of data aggregated up from the transformer, feeder and substation level to inform their network capacity maps as to how much spare capacity is on the assets at all locations.This information could then be used by the DNSP to determine where augmentation or battery storage/V2G is required to handle demand from peak-time heat pump and cooking loads, the loads presently pushing up peak demand. CPOs could use the information to ascertain where capacity is available to deploy EVSE more strategically.

Additionally, DNSPs should provide sharply priced TOU tariffs to incentivise EV owners to take up retail plans that reflect this, as they have proven to keep EV charging load out of peak periods.[16]

---

[13] CP ATT TSS.01 - SCS indicative prices - Jan2025 | Australian Energy Regulator (AER)
PAL ATT TSS.01 - SCS indicative prices - Jan2025 | Australian Energy Regulator (AER)
UE ATT TSS.01 - SCS indicative prices - Jan2025 | Australian Energy Regulator (AER)
[14] Regulatory proposal 2026–31
[15] Smart meter rollout turned on for 2025 | energy.gov.au
[16] Home EV charging and the grid: Impact to 2030 in Australia - Electric Vehicle Council

Misrepresentations of the EVC

The Citipower[17] and Powercor[18] regulatory proposals state that "There was general support that this tariff would include an export charge in the saver period and an export rebate in the peak period, although the Electric Vehicle Council strongly opposed the export charge." This is not correct.

To clarify, what we said, as is reiterated above, is that we oppose export rewards being inextricably linked to export charges, as this disincentivises consumers to take up tariffs with peak period export rewards. It's a complex concept, so to provide clarity, we state that the EVC would prefer either there be export charges on all tariffs or none. The EVC's view is not altered or affected by other government policies which are subject to change.

If you have any questions on this submission, please contact Michael, at office@evc.org.au.

Thank you for your consideration of our submission.

Yours sincerely,

Dr. Alina Dini

Head of Energy and Infrastructure

Electric Vehicle Council

[17] Regulatory proposal 2026–31
[18] REGULATORY PROPOSAL 2026–31