

7. DEMAND MANAGEMENT INCENTIVE ALLOWANCE MECHANISM		
7.1	Identify each demand management eligible project (DMIAM) for which CitiPower seeks approval.	Electric vehicle (EV) hotspots trial The EV hotspots trial is a research project to identify and understand EV charging on the United Energy Network.
7.2	For each demand management eligible project (DMIAM) identified in the response to paragraph 7.1: (a) explain how it complies with project criteria detailed at section 2.2.1 of the demand management innovation allowance mechanism;	EV hotspots trial The project will develop and implement new demand management capability through utilisation of algorithms to identify and understand the impact EV charging has on the United Energy network. EV chargers are not presently visible to us (customers are not required to notify us of their installation) which can impact the management of the network in their vicinity. By understanding and profiling EV customer charging usage, the project aims to gain insights into the EV load behaviour and customer usage profiles. The trial is currently being implemented across the United Energy network. This is the first time algorithms have been utilised in this way to address emerging and increasing challenges presented by EV, now and into the future. This trial has the potential to reduce future network charges through an understanding of EV charging behaviour allowing more strategic management of our network and lower the need for network augmentation.
7.2	(b) submit a compliance report in accordance with section 2.3 of the demand management innovation allowance mechanism.	EV hotspots trial For an outline of this project, and a summary of how it meets the DMIAM criteria, please see 7.2(a). The costs for the United Energy EV Hotspots trial are not recoverable under any jurisdictional or other scheme and are not included in our forecast capital or operating expenditure approved for the 2021–2026 regulatory period. Through our research, we have achieved positive outcomes including valuable insights on EV hotspots across the network. One of our accomplishments includes the successful identification of over 3,700 EV chargers across the United Energy network. This information has allowed us to categorise charging profiles into four distinct types, enabling us to better understand the impact on network demand. We can now more accurately determine the nature of charging across the network which will aid in making better informed network planning decisions for import and export. Ultimately, these findings will help us identify the most efficient design for demand response programs for EV charging customers.

		<u>Cost overview</u> The cost of the EV hotspots trial project for 2022-23 were: <table><tr><th>Electric vehicle hot spots trial</th><th>Total DMIA</th></tr><tr><td>\$ 119,712.00</td><td>\$ 119,712.00</td></tr></table> The total amount of DMIA spent for 2022-23 year by United Energy for the abovementioned project was \$119,712.00.	Electric vehicle hot spots trial	Total DMIA	\$ 119,712.00	\$ 119,712.00
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\$ 119,712.00	\$ 119,712.00					
7.3	Provide an overview of developments in relation to projects or programs completed in previous years of the regulatory control period, and of any results to date.	In the 2021-22 period a trial tariff project was undertaken. By the end of 2022-23, 376 customers had opted into this tariff via a retail product. This included 124 customers with no hot water and no roof top solar, 60 with rooftop solar, and 4 for hot water.				
7.4	Provide any other required information as specified by the demand management innovation allowance mechanism	Not applicable.				

Note: Information provided in response to paragraph 6 of Schedule 1 to this Notice will constitute the provision of an annual report for the purposes of paragraph 3.1.4.1 of the Demand Management Incentive Scheme applying to United Energy (as set out in the 2016-20 Distribution Determination)