



## **EVC response to the Queensland Competition Authority's Interim consultation paper, Regulated electricity prices for regional Queensland 2024-25**

**January 2024**

**With reference to:**

[Regulated electricity prices for regional Queensland 2024–25 \(qca.org.au\)](https://www.qca.org.au)

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## Introduction

The Electric Vehicle Council (EVC) is the national body representing the electric vehicle industry in Australia. As the market is emerging in Australia, our work is particularly aimed at increasing certainty for investment through policy, knowledge sharing and education with the objective of accelerating EV uptake.

We represent manufacturers of electric vehicles, energy system actors including generation, transmission, distribution and retail, EV charging and electrical equipment manufacturers, public charging station operators, and many other organisations with a stake in the future involving the electrification of road transport.

The Queensland Competition Authority (QCA) sets notified prices based on the requirements of the Electricity Act 1994 and delegations issued by the Minister for Energy, Renewables and Hydrogen.

Previous responses on the topic can be found here.

[EVC response to Ergon 2025-2030 draft plan - Electric Vehicle Council](#)

[EVC response to Energex 2025-2030 draft plan - Electric Vehicle Council](#)

## Residential tariffs

The situation in Ergon Energy areas for regional Queenslanders is unique. The distribution and retail arms being government owned means that there is effectively no retail competition for these consumers. Dividends of these subsidiaries are paid back to Queensland consumers which could either drive these government owned corporations to maximise profits, or disincentivise increasing productivity because consumers will be no better or worse off any way. Whatever the case, where EVs are concerned there's an interesting decision for Ergon Energy to make regarding whether to incentivise shifting EV charging (and other load) out of peak times using effective time of use (TOU) tariffs, or to just leave the ineffective TOU tariffs like 12B and particularly 12C in place and keep making money hand over fist.<sup>1</sup> More on this in the next section.

Another complexity running parallel to this issue is that Ergon Energy has requested permission via the 2025-2030 regulator reset process from the AER to increase their network asset base by 30% over the next five years.<sup>2</sup> This is largely due to overinflated projections of peak demand increases brought about by exaggerated forecasted EV sales and poor assumptions about when EV owners will charge them.<sup>3</sup> This kind of investment leads to higher electricity prices for consumers, and can be avoided through clever retail offerings.

A positive for Ergon Energy is that by offering effective retail tariffs, they can lower barriers to EV uptake for regional Queenslanders, which will increase electrical load overall, resulting in higher revenue.

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<sup>1</sup> [Time of use tariffs - Ergon Energy](#)

<sup>2</sup> [Report template \(aer.gov.au\)](#)

<sup>3</sup> [EVC submission to AEMO IASR - Electric Vehicle Council](#)

[EVC submission to AEMO 2022 Integrated System Plan - Electric Vehicle Council](#)

## EV TOU tariffs

It can be seen from several Australian data sets that TOU tariffs shift EV charging away from peak demand periods.<sup>4</sup> The TOU tariffs in these studies show contributions to peak demand around 250W per EV, there are new, more effective EV focused TOU tariff offerings on the market now which would likely see lower contributions to peak demand per EV.

Many EV owners are also solar owners and so will definitely have smart meters, enabling them to access TOU tariffs. Some EV owners that don't have solar will also have smart meters due to living in a new building, having been subject to the smart meter rollout or having requested one. The Qld government has a target of 100% smart meters by 2030 and the EVC supports this.<sup>5</sup> Shifting load out of peak demand periods means networks will not have to upgrade their asset base as much as they otherwise would, putting downward pressure on electricity prices.

## Ergon Energy TOU tariff types

There are too few TOU tariff types for Ergon customers. Tariff 12B and Solar Soaker (12C) are a good start but they're too expensive and complex. 12B consists of three periods; peak (4pm-9pm), shoulder (9pm-9am) and off-peak (9am-4pm), each with different prices. The peak period is too expensive at nearly 48c/kWh, and the shoulder (28c) and off peak (27.2c) differ by less than 1c, almost pointless. 12C also has these three periods but with different prices, and the addition of the solar feed in tariff. Peak usage is too expensive at nearly 61c/kWh, shoulder is good at around 20c and off peak is competitive at almost 11c.

Tariffs should be simple and easy for consumers to remember and follow. Often households are made up of a mix of consumers, ones that care about energy pricing and ones that care less. A tariff that gives one simple directive to follow allows better buy in from all.

Retailers such as powershop, AGL, simply energy and ovo are now offering EV focused plans. Offers like AGL's Night Saver Energy Plan offer just two periods, peak and off peak. The peak rate is competitive, not the cheapest but the off peak rate (midnight-6am) is very cheap at around 8c/kWh. This plan recognises that many EV owners also have solar, and so will naturally target charging when solar production is strong, but then will charge the rest of the time targeting the off peak rate, hence avoiding the morning and dinner peak demand periods. Offers like these will be very attractive to EV owners, so in order to avoid haemorrhaging customers, more electricity retailers will follow suit.

This interim consultation paper (paper) states "the Queensland Government's UTP, which provides that, wherever possible, customers of the same class should pay no more for their electricity, and should pay for their electricity via similar price structures, regardless of their geographic location." and this is a good thing, however the current tariff offerings are not achieving this. Customers in Ergon Energy areas are not currently able to access the same tariff structures or the same pricing of their counterparts in other areas of Queensland.

Ergon Energy should address this through creating an additional tariff designed to be attractive to EV drivers, while encouraging energy-system friendly behaviour. This new tariff should be modelled on the EV-targeted offers from the retailers offering such products in Brisbane, such as the AGL [night saver plan](#), Powershop's [electric vehicle tariff](#), Ovo Energy's [EV plan](#), and

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<sup>4</sup> [Home-EV-charging-2030.pdf \(electricvehiclecouncil.com.au\)](#)

<sup>5</sup> [Digital meter installation | Homes and housing | Queensland Government \(www.qld.gov.au\)](#)

simply energy's [simply EV plan](#). Tariff 12C was a reasonable first attempt to address this, and came at the challenge with good intent, but it missed the mark by driving the cost of energy at peak time up too high, and therefore making the flat tariff a more attractive proposition to consumers. Free market competition in SEQ has since demonstrated what 'good' and 'attractive to consumers' looks like in this domain - Ergon Retail can simply imitate those tariffs in order to get this one right for regional Queenslanders.

## Ergon Energy and V2G

Standards changes and the availability of compatible EVs and chargers will see vehicle to grid (V2G) come to Queensland in late 2024. As take up increases up to 2030, V2G will have a not insignificant effect on peak demand as consumers use their EVs to support the grid after sundown. To support this, like TOU tariffs, Ergon Energy can design a two-period feed in tariff. Peak and off peak with the peak rate being 30 or 40c/kWh to incentivise export during this time. Some retailers, like Amber, are already offering these kinds of plans and some networks have already written them into their regulatory resets.

## Import limits coming to Qld

The new Queensland Electricity Connection Manual (QECM) has just been published<sup>6</sup> and this version 4 prohibits the installation of equipment like EV chargers over 20A on a single phase connection (<100A) from 21<sup>st</sup> February, 2024, unless it can be controlled by the network. This was put in place due to the perceived risk of EV charging adding to peak demand more than network capacity increases under normal settings and phase imbalance. The EVC argued that this was not necessary, due to the increasing number of consumers taking up TOU tariffs<sup>7</sup> and the forthcoming aid coming from V2G and increased penetration of home battery storage, network batteries, community batteries and grid-scale batteries. This advice was ignored meaning that from the 21st February, 2024 consumers have to spend more on a standard 7kW EV charger with demand response capability and pay for the installation, setup and maintenance of the communication pathway, as well as all Queensland consumers will pay more to offset the cost of the Queensland networks setting up and maintaining the control platforms and databases, all whilst opening up the system to cyber security risk.

Consumers do not like handing over control of their devices and whether they may consume energy or not. Look at the example of the Queensland PeakSmart program, out of a total of around 300,000 air conditioners installed each year, 10,000-15,000 are orchestrated, even with financial rewards on offer.<sup>8</sup> By Ergon Energy creating effective retail offers with TOU tariffs as suggested in the section above, they can ensure that consumers can enjoy the type of service they want, without necessitating the augmentation of the network to an extent for which no one would want to pay.

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<sup>6</sup> [Queensland Electricity Connection Manual \(QECM\) | Ergon Energy](#)

<sup>7</sup> [EVC response to the: Queensland Electricity Connection Manual Service and Installation Rules Version 4 Draft - Electric Vehicle Council](#)

<sup>8</sup> [PeakSmart air conditioning | Ergon Energy](#)

If you would like to discuss any of the above or would like more information, please get in touch at [office@evc.org.au](mailto:office@evc.org.au)

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