25 September 2024

Distributed Energy Policy Team
Department of Climate Change, Energy, the Environment and Water

Submitted electronically

Dear Distributed Energy Policy Team,

JEC submission to DCCEEW Streamlining the connection of EVSE and large CER options paper

The Justice and Equity Centre (JEC) welcomes the opportunity to respond to Department of Climate Change, Energy, the Environment and Water's (DCCEEW) Streamlining the connection of electric vehicle supply equipment (EVSE) and large consumer energy resources (CER) options paper (the Paper).

The efficient integration of CER and EVSE is essential to meeting Australia's emissions reduction targets while promoting the interests of consumers in equitable, affordable and dependable energy services. Facilitating CER deployment at the rate required to meet these targets will necessitate connecting increasing numbers of such assets to the network in a timely and efficient manner.

To this end, we support the Paper's objective of identifying opportunities to streamline the connection process for large CER and EVSE. We consider the seven opportunities identified in the Paper broadly appropriate and comment on the options identified to address each below.

Our views on the five recommendations put forward in the Paper are mixed.

We support Recommendation 1 that distribution network service providers (DNSPs) establish baseline data on the connection process. This should detail time required to establish different types of connection (and the steps involved), including how responsibilities are shared between the DNSP, project proponent, and other relevant parties.

We support Recommendation 2 requiring DNSPs to provide tools or processes enabling proponents to easily assess available capacity at prospective sites. Some DNSPs are already developing self-service portals to facilitate access to requisite information for site selection and to improve the connections process more broadly. DNSPs more advanced in developing such portals should be encouraged to share learnings to help establish minimum

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requirements for these tools, promote best practice, and reduce duplication and trial-and-error.

We do not support Recommendation 3 to incentivise DNSPs to shorten the time required to connect and energise EVSE and large CER. Where customers support such incentive schemes, mechanisms already exist to facilitate their creation. For example, Ausgrid proposed such a metric under the Customer Service Incentive Scheme (CSIS) as part of their 2024-29 revenue determination. The metric requires Ausgrid to collect and track milestone dates for connection offer acceptance and energisation for all connection projects with performance assessed against median energisation time.

We do not generally consider financial incentives an effective (or particularly efficient) means of achieving the stated objective[1]. Particularly in this case. However, reputational incentives akin to those included in the AER's export services network performance report[2] may be more appropriate. The export services report includes a metric assessing the time for DNSPs to provide a low voltage offer outside the model standing offer[3]. Existing gaps in this data indicate reporting requirements should be tightened to enable more consistent comparisons across DNSPs.

We support Recommendation 4 requiring DNSPs to provide clear requirements for the provision of a second connection. This could be achieved through requiring DNSPs to detail their connection process (as proposed under Recommendation 1) and clearly outline the circumstances and criteria under which a second connection is not permitted – with criteria for how a second connection can be enabled also clearly set out.

We do not support Recommendation 5 for a bespoke incentive scheme rewarding DNSPs for every connection made. This proposal is premised on a faulty assumption that each new EVSE connection brings forward an associated amount of carbon reductions based on the estimated number of EVs it enables to be taken up.

EV take-up should not be conflated with emissions reductions. EVs reduce emissions only insofar as they displace more emissions intensive forms of transport such as ICE vehicles. This caution also applies to other forms of large CER given these assets do not, in and of themselves, necessarily reduce emissions in a consistent manner.

Relatedly, we do not support deviating from revenue cap regulation in favour of a weighted average price cap approach to provide more incentive to DNSPs for new connections. The existing regulatory framework is arguably oversaturated with incentive schemes with little (or at least very contested) evidence they materially benefit consumers[4].

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1 See JEC Submission to the AER Review of Incentive Schemes for Regulated Networks – Draft Decision.
2 See AER Export services network performance report 2023.
3 Ibid., p. 23.
4 See IEEFA Power prices can be fairer and more affordable, pp. 23-26.

Regulations rather than incentives should be used to streamline the connection process

Site identification is the most frequent issue encountered in the connection process. We consider this issue best addressed through implementing requirements around the public provision of certain minimum levels of information (such as network capacity and spare capacity).

These requirements should be implemented, and their effectiveness assessed before considering additional financial incentives to encourage DNSPs to improve their connection processes and data provision practices. Moreover, financial incentives should be strictly limited to areas in which DNSPs can demonstrate that such schemes materially improve consumer outcomes and not just the relative performance of inputs such as expenditure.

We note that Essential Energy has effectively resolved issues with site selection through its Network Opportunity Mapping service which provides information on the amount of capacity available at specific locations within the local network area. Essential's approach was universally praised as best in class and should serve as a template for other DNSPs.

The connection process could be further improved through the employment of specialised connections staff and staff dedicated to the connection of new project types such as EVSE. While we acknowledge the appeal of expediting larger EVSE connections, this would raise issues around the preferential treatment of (or between) EV proponents and create knock-on effects for other work/projects.

We see merit in further exploring the potential of flexible connection processes and dynamic connections to ensure these projects proceed in a timely manner. Dynamic connections would allow projects to go ahead even where the network could not guarantee its full capacity at all times but would allow sites to operate the vast majority of the time and potentially provide some services to the network until augmentation is completed. Similarly, more flexible connection processes could facilitate EVSE connections by allowing for bulk analysis of sites, for instance.

We share the view that the CER/EVSE connection landscape should be assessed holistically and consider all potential contributing factors. Namely, reforms should recognise that proponents of these projects may not have much familiarity with the connection processes and may require a greater amount of transparency and guidance through the process.

Streamlining the connections process will also require broader coordination not just between DNSPs and project proponents but local councils, consumers, and market bodies. While broadly supportive of measures to streamline, we caution against an undue focus on facilitating shorter timeframes at the expense of ensuring efficient connections. New connections have significant potential to increase costs to consumers and should be justified on their own merits.

We would welcome the opportunity to discuss these matters further with DCCEEW and other stakeholders.

Yours sincerely

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