

26 July 2024

Gareth Edwards  
Senior Policy Officer  
Climate Change and Sustainability Branch  
NSW Department of Climate Change, Environment, Energy and Water

*Submitted electronically*

Dear Gareth,

### **JEC submission to DCCEEWS DNSP-led kerbside EV charging proposal**

The JEC welcomes the opportunity to respond to the NSW Department of Climate Change, Environment, Energy and Water's (DCCEEWS) DNSP-led kerbside charging proposal (the Proposal).

We support the NSW Government's efforts to increase the availability of EV charging infrastructure and recognise the importance of efficiently accelerating the electrification of transport to achieve state and federal emissions reductions targets. Increasing the availability of kerbside EV charging infrastructure is necessary to support the expected growth in the number of EVs on the road and facilitate EV uptake amongst consumers without access to off-street parking.

Any measures to accelerate the rollout of EV charging must support and promote key principles of efficiency, equity and beneficiary pays. We are concerned that the proposal does not appropriately embody these principles.

### **Response to consultation questions**

1. *What benefits and/or drawbacks do you see to DNSPs installing, owning, and maintaining kerbside chargers?*

The primary benefit of DNSP involvement in the kerbside EV charging market is the potential to accelerate rollout and the potential to lower the overall delivery cost of these assets. DNSPs are well-placed to efficiently use existing network infrastructure, including identifying where existing network infrastructure can best support changepoints which minimise potential impact on network augmentation, and leverage their expertise to reduce maintenance and installation costs overall.

Realising these benefits is not necessarily contingent on the creation of a DNSP monopoly in kerbside charging. These benefits may also be realised through the participation of a DNSP's unregulated businesses rather than the DNSP itself, or through a hybrid arrangement where DNSPs plan and rollout the infrastructure to be operated by winners of competitive tenders, who may be their unregulated businesses. We encourage this process to consider the desired outcomes (and key principles) and investigate a range of options capable of delivering them, rather than committing to a pre-determined delivery model.

The primary drawback to DNSP involvement is the very real potential to impose inefficient and unreasonable costs and risks on energy network consumers who do not benefit. Cost recovery arrangements may be designed in a way that only targets users of kerbside charging infrastructure, which would address some of these potential issues.

However, there are also risks and other costs associated with ownership and maintenance of this infrastructure, which may be more difficult to manage. It is not clear how DNSPs propose to recover the costs of replacement, decommissioning, or repair of kerbside chargers. There are also risks that the costs of the infrastructure and its maintenance are not able to be met by direct charges to EV users. It's not clear how the cost differential would be handled if this is the case. We do not consider it appropriate for these costs to be spread and recovered from wider the energy network customer base who do not benefit from them.

*2. Would you support a model in which DNSPs install, own, and maintain kerbside chargers attached to their assets? Why or why not?*

We would support this model if DNSPs, in a transparent and open process, establish to the satisfaction of the department and other stakeholders that this:

- Results in demonstrably better outcomes against pre-defined criteria, including acceleration of rollout, geographic coverage, cost of operation to users, improved consistency and interoperability; and
- Does not rely on cost recovery from, or increase costs to, DNSP's wider customer base – including, not spreading direct cost recovery across non-user customers, and seeking to minimise augmentation impacts through site selection.

We have not yet seen clear demonstration that these conditions can be met, and that DNSPs are the best placed party to install and/or own and/or maintain kerbside chargers.

*3. What safeguards do you think would be required if a DNSP-led rollout were implemented?*

The key safeguards required must ensure a DNSP-led rollout does not rely on or create cross-subsidies or inappropriately shift costs and risks onto consumers that are not direct beneficiaries of kerbside charging.

While we acknowledge the community notionally benefits from the electrification of transport and support the Government's pursuit of this objective, this is not a tangible direct benefit that can be appropriately associated with and assessed against the costs of a regulated entity. In any case, these broader climate and health benefits should not be realised through the

imposition of costs and risks to all network consumers. These are social benefits and, as such, more appropriately paid for through Government budgets.

There are also potential issues with the proposal to limit access to funding to DNSPs. This may contribute to faster deployment in the short-term, but it should not be done in a way which hampers the development of efficient and sustainable services in the longer-term.

4. *If DNSPs were empowered to install, own, and maintain kerbside chargers, do you think costs of the initial installation should be funded, wholly or partly, by:*
- a. NSW Government*
  - b. DNSPs with cost recovery from eMSPs/retailers or EV drivers*
  - c. DNSPs with cost recovery from electricity customers*
  - d. Another mechanism*

If the policy objective for this funding is not only to increase the number of kerbside charging stations but establish kerbside charging stations in locations that are not otherwise attractive to private sector providers, then the Government should fund some or all of the initial installation cost. Should the government only fund part of the initial installation cost, the remainder should not be recovered from all DNSP customers but from eMSPs/retailers or EV drivers.

The Government should consider arrangements which separate the installation and/or ownership and/or maintenance of the charging infrastructure as part of determining the funding structure. Supporting the installation of the assets via DNSPs may be a pragmatic solution but need not necessarily extend to DNSP's owning and/or maintaining the assets.

The Government should consider how it might leverage its investment in kerbside charging further – for instance through implementing a competitive tender process open to non-DNSP providers for aspects of the scheme.

5. *If DNSPs were empowered to install, own, and maintain kerbside chargers, do you think costs of the ongoing maintenance and replacement should be funded, wholly or partly, by:*
- a. NSW Government*
  - b. DNSPs with cost recovery from eMSPs/retailers or EV drivers*
  - c. DNSPs with cost recovery from electricity customers*
  - d. Another mechanism*

Should the scheme involve DNSP installation, ownership and maintenance, the full cost of their involvement must be fully recovered from eMSP's/retailers and/or EV drivers. Ongoing maintenance and replacement costs should not create cross-subsidies now or into the future, which impact energy network customers who do not directly benefit. We consider option (b) best meets this objective as it ensures these costs are only recovered from EV owners/eMSPs after the end of the initial deployment period in 2029.

6. *Do you have any other comments or concerns about this proposal?*

N/A.

**Further engagement**

The JEC would welcome the opportunity to discuss these matters further with NSW DCCEEW and other stakeholders. If you have any queries about this submission please contact Jan Kucic-Riker, Policy Officer, Energy and Water at [jkucicriker@jec.org.au](mailto:jkucicriker@jec.org.au).

Yours sincerely

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