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Australian Energy Market Commission
Level 15, 60 Castlereagh Street
Sydney NSW 2000

Submitted via AEMC's submission page

Facilitating EV charging infrastructure rollout under Commonwealth grants – Submission by Inner West Council

Thank you for the opportunity to provide a submission on the Federal DCCEEW's proposal for a rule change to facilitate EV charging infrastructure rollout. This submission outlines consideration of the Consultation Paper to inform further work.

It should be noted that this submission has been prepared at an officer level and has not been formally adopted by Council.

If you have any questions about this submission, please contact Sarah Guan, Strategic Transport Planner, on 02 9392 5463 or Sarah.Guan@innerwest.nsw.gov.au.

Sincerely,

Manod Wickramasinghe
Director Engineering (Acting)

Introduction

In 2020, Inner West Council adopted *Going Places*, its Integrated Transport Strategy. Along with the Strategy, it also adopted the Road User Hierarchy which places walking, cycling and public transport over private car use.

It is recognised that private car use is still necessary for some trips. For such trip, Council considers that electric vehicles (EVs) should replace Internal Combustion Engined (ICE) vehicles. This is particularly the case in Metropolitan areas and requires careful balancing of competing interests to ensure that EV ownership does not outcompete public and active transport use. Recently, studies have shown a mode shift towards private vehicles in countries like China and Norway due to the rise of EVs. In 2023, Council adopted its Electric Vehicle Encouragement Strategy (EVES) which aimed to balance the transition of ICE vehicles to EVs while continuing to prioritise walking, cycling and public transport.

The Inner West is one of the LGAs leading in the rollout of kerbside public charging infrastructure. Since 2023, Inner West Council has facilitated the install of nearly 200 kerbside charging ports across the LGA, including those assisted by the NSW EV Kerbside Charging Grants. Suggested actions within this submission are based on our experience in deploying large numbers of public chargers.

Council commends DCCEEW's initiative in accelerating electric vehicle charging infrastructure (EVCI) across Australia through this rule change and program. Council, however, expresses concern about several elements of the program; particularly the responsibilities of each party involved, cost recovery, and its ability to meet the National Electricity Objectives (NEO).

In this submission, Council has considered how this Program will help achieve the NEO specifically:

- All electricity consumers funding public EVCI when many people choose not to drive, or cannot drive, and rely on public transport.
- The Program's potential impact on reversing the mode shift towards public transport, by making private vehicle use more affordable than public transport and having indirect impacts on greenhouse gas emissions from additional parking and traffic lanes for private vehicles.

This submission includes a series of suggested actions to assist in ensuring that this program is successful in transitioning ICE vehicle ownership to EV ownership.

Problem Statement

DCCEEW's problem statement frames slow deployment of EVCI due to low EV uptake. However, from Council's experience is counter to this; with EV uptake rates being dependent EVCI availability, particularly in areas without off-street parking.

It is well recognised by Charge Point Operators (CPOs) that charging infrastructure in areas without off-street parking, provision of EVCI with provide confidence for EV uptake.

Council does not agree with the proposal's conjecture that the timing and cost of DNSP processes, and prices, are major barriers to efficient EVCI deployment. CPOs generally require

dedicated spaces to support their business model. The barriers to facilitating changes to proposed parking restrictions to allow for dedicated EV charging bays include:

- Long, complex processes, requiring significant Council resources. This process includes, but is not limited to design consideration, community consultation, presentation to Local Transport Forums (LTF) and Council adoption. This timeline is roughly four to five months, though it may prove longer if community pushback requires reconsideration, consultation includes school holiday periods, or amendment to a Park Plan of Management (PoM) is required. In order to assist in timely delivery of EVCI rollout, Council resourcing should be assisted through grants for appropriate staffing.
- Community pushback from ICE vehicle owners who consider that dedicated EV charging bays will resulting in a reduction of parking spaces rather than a transition to another form of parking.

Program Design

Council commends DCCEEW's initiative to install fast chargers in regional blackspots. A Federal approach is required to ensure there are enough chargers across regional areas, particularly during peak travel seasons such as Easter and New Year.

As Inner West is a Metropolitan council, this section focuses on program design for Metropolitan areas.

Council is supportive of DNSPs deploying undedicated chargers, only if a critical mass is to be installed. While the quantum of chargers deployed will vary between LGAs, it is considered that, at least in during the transition phase, no less than 10 public chargers per EV registered in the LGA should be provided for inner metropolitan areas.

DCCEEW's proposal includes two different kerbside program designs:

1. CPO right of first refusal
2. DNSP tender based on winning price

Neither design takes into consideration council requirements for CPOs, including:

- Charger design and technology;
- Experience with council processes such as LTF and engagement;
- Limits on number of CPOs individual council resourcing can manage; and
- Impacts on user experience by having different providers in different postcode area.

It is suggested that a letter of support from councils should be required prior to CPOs applying for charging locations with DNSPs to streamline this process. This process would provide councils an opportunity to discuss requirements with CPOs including costs associate with the provision of dedicating public space for EV charging.

While Council is supportive of this proposal, there are concerns with the deployment of chargers to be installed by DNSPs, including selection of eligible poles or areas DNSPs would install chargers, and who would be responsible for chargers that aren't 'claimed' by CPOs?

<u>Suggested Actions</u>

- Include letters of support from council as a mandatory requirement for CPOs. Mandate that discussions between DNSPs and councils, include consideration of suitable areas to install kerbside chargers. This is particularly relevant as Councils have the local knowledge regarding areas with highest demands which can improve the business model of this program and reducing the funding gap, as well as an understanding of longer-term proposals for areas within their LGA.
- Provide additional information on the governance of undedicated chargers installed by DNSPs.

Benefits of this program

The main aim of this program is emissions reduction. The transport sector is the second largest contributor to greenhouse gas emissions and Council, consequently, supports the transition to EVs towards Net Zero.

DCCEEW's modelling does not take into consideration the indirect impacts of private car use, ICE or EV, on emissions (including embedded carbon). Private cars are a highly inefficient method to transport people. If car use increases, more road space is required for parking and traffic, taking away from amenities such as footpaths, cycleways, parks and urban tree canopies. This leads to increased heat island effect which impacts the electricity grid in the longer term.

Additionally, there are other benefits from this program towards deploying EVCI that were not mentioned, including:

- Creation of a mapping tool combining DNSPs' EVCI-suitable sites and DCCEEW's Electric Vehicle Charging Infrastructure Mapping Tool – this would significantly streamline the site selection process. It is, also, suggested to include council's information, such as existing and planned cycleways and areas of uplift, to optimise this process. Additionally, the mapping tool should continue to be available to facilitate future EVCI technology that could bridge the gap between available EVCI and demand.
- Critical mass of opportunity public chargers – EV uptake is currently low, representing only 5% of the passenger fleet. It is difficult for opportunity chargers (chargers without dedicated bays) to have the utilisation rate required for CPOs' business case. However, it is projected that EVs will make up majority of the passenger fleet by 2035. At such a time, it will be more important to have more chargers, rather than dedicated bays for chargers, reaching a critical mass where anyone seeking charging can readily locate an available charger without reliance on spaces being dedicated. This critical mass approach to facilitate 'opportunity' charging will also reduce community pushback about a 'loss of parking' to dedicated spaces during the transition period between 2026 and 2035.

<u>Suggested Actions</u>

- Include indirect benefits and impacts of this program in the modelling relating to the reduction of greenhouse gas emissions.
- Keeping the mapping tool online after the program ends for any future EVCI programs.

Meeting the National Electricity Objective

It is important to be conscious of the indirect impacts of private car use on emissions reduction, and the promotion of private car use through intense, blanket investment in EVCI. More information is required from DCCEEW on DNSP's eligibility under this proposed rule change and program.

In NSW, there is a shift in focus to more sustainable transport options including Department of Planning, Housing and Infrastructure's Transport Oriented Development (TODs), and its Low and Mid Rise Housing (LMR) programs. The focus of these programs is to reduce the number of private vehicles around major transport nodes.

Further, Australia's outer suburbs and regional areas experience urban sprawl where most households have off-street parking and charging capabilities.

While there are areas that would benefit from investment in EVCI, DCCEEW's program design does not provide any insights into how this would be determined. Additional details on the assessment criteria for grant funding should be provided to determine if this program will satisfy the National Electricity Objective as being "efficient investment in… electricity services for the long term interests of consumers of electricity"

Suggested Actions

- Provide more details on assessment criteria for the Program, particularly regarding locations to install chargers , focusing on areas of demand or area where EVCI provision could increase uptake.
- Discussions should be held with State and Local Government regarding other programs working towards the reduction of transport emissions and areas of demand to further strengthen the assessment criteria for the Program.

Cost Recovery

Council does not consider it appropriate for all electricity consumers to contribute to the funding gap for EV charging projects.

It is agreed that government investment is required to accelerate EV charging infrastructure rollout in Australia, towards Net Zero 2050. However, it needs to be efficiently targeted, rather than a blanket increase in number of chargers, to achieve a balance with other more sustainable modes of transport such as public transport.

While increased provision of public chargers is required, these should be targeted in areas where there is demand, or an ability to facilitate increased uptake. As EV uptake increases, chargers, without dedicated kerbspace, would become more profitable and therefore would be unlikely to require electricity consumers to contribute to the funding gap, on top of the funding from DCCEEW's program.

Council suggests the following as alternatives to levying fees for all electricity consumers:

- Increase the price of EV charging for users. Charging an EV is significantly cheaper than fuelling an ICE vehicle. It not equitable to have all electricity consumers pay for EVCI when many residents living in metropolitan areas either have off-street charging options

or do not travel by car. Further, if charging an EV is too cheap, it could incentivise people without cars to buy an EV.

- Collaborate with councils to install chargers in areas with high demand, or where increased uptake can be facilitated by provision of EVCI, to ensure the highest use case possible, and therefore not require any levies for all electricity consumers.
- Should contributions from all electricity consumers be required at the beginning of this program, while EV uptake is low, it should also include a scenario where as undedicated chargers become more economically successful, compensatory measures should be provided to consumers who have subsidised its early establishment. Consequently, it is suggested that consideration be given to an annual rebate from 2030 to 2035 to encourage the transition of EVs after the program is completed.

Suggested Actions

- Use assessment criteria that outlines areas of demand as mentioned in the previous section to reduce the need for cost recovery from electricity consumers
- Investigate other options for cost recovery that does not include all electricity consumers contributing to EVCI.

Relocating and decommissioning chargers

In Metropolitan areas, road space is at a premium with many conflicting uses including new cycleways, pedestrianising streets and road closures. Further, increasing density is currently a priority. Consequently, Council cannot definitively determine which areas will not be affected by changes or long-term construction zones.

Council suggests including a clause, in the legislation for this rule change, to allow State or Local governments to request for a charger to be decommissioned or relocated, in cases where there is a more important use for the kerbspace, rather than parking. Similarly to car share spaces, Council is willing to work with CPOs, EMSPs or DNSPs to relocate chargers into a more appropriate location, should it be required.

Further, the proposed legislation is unclear on responsible parties and actions to decommission chargers. Under the NSW road rules, it is the responsibility of the party who is installing the charger (s138 of the Roads Act). If it is left unclear in the legislation for this program, Councils would require the responsible party to provide a security deposit for each charger installed, to safeguard against decommissioned chargers being left in the public domain.

Suggested Actions

- Allow for relocation of chargers within this rule change, under specific circumstances.
- Include clauses to decommissioning chargers within rule change.