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Mr Mark Tutaan
Australian Energy Market Commission
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Dear Mr Tutaan

EMO0022 – AEMC’S DRAFT ADVICE – ENERGY MARKET ARRANGEMENTS FOR ELECTRIC AND NATURAL GAS VEHICLES

Ergon Energy Corporation Limited and Ergon Energy Queensland Pty Ltd, collectively referred to as Ergon Energy, appreciate the opportunity provided by the Australian Energy Market Commission (AEMC) to provide comments on the *Energy Market Arrangements for Electric and Natural Gas Vehicles – Draft Advice* (the Draft Advice). This submission is provided by Ergon Energy in its capacity as a Distribution Network Service Provider and non-competing retailer in regional Queensland.

Ergon Energy has not addressed all of the questions in the Draft Advice, but rather has provided general comments in relation to tariffs, metering and some of the underlying assumptions used in the analysis.

Tariffs

- Ergon Energy believes that controlled charging would need to be managed within the network security constraints to avoid another system peak being generated, which would be counter to the intent of controlled charging.
- Ergon Energy agrees that efficient charging behaviours should be incentivised through network pricing signals, emphasising that the underlying network tariff is the key driver of price signals.

Metering

- Ergon Energy supports separately metering electric vehicles (EVs) from other site loads. However, Ergon Energy cautions that any additional metering work bears a risk that there may be technical difficulties from a meter installation and reading perspective. These difficulties typically relate to legacy site issues requiring a switchboard and service upgrades.

Underlying assumptions

- Ergon Energy suggests that some of the underlying assumptions surrounding the demand data for EVs may overstate true demand. For example, experience in the United States of America¹ (US) indicates a charging demand of only 1kW across the EV population due to diversity with the EV battery status, compared to 3.6kW with no diversity, as suggested in the Draft Advice.
- Furthermore, US experience with unmanaged charging seems to show a profile that peaks much later in the evening, suggesting unmanaged demand may be less than that assumed in the Draft Advice.

¹ [Http://www.theevproject.com/documents.php](http://www.theevproject.com/documents.php)

Ergon Energy looks forward to providing continued assistance to the AEMC in its consultation on the energy market arrangements for EVs and natural gas vehicles. Should you require additional information or wish to discuss any aspect of this submission, please do not hesitate to contact either myself on (07) 4092 9813 or Trudy Fraser on (07) 3228 2144.

Yours sincerely



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