

Inquiry into EV adoption in the ACT

Opening statement – Peter Billing, General Manager

Thank you for the opportunity to speak to our submission this morning.

As you may be aware, Evoenergy, operating within the bounds of regulatory guidelines, owns and operates the electricity and gas distribution networks in the ACT. We deliver safe and reliable energy to Canberra, managing electricity network maintenance, connecting new customers, planning and constructing new infrastructure, as well as providing emergency response.

Our electricity network comprises of poles and wires, underground cables, transformers, substations, and other necessary infrastructure. It enables us to transport electricity to and from homes and businesses efficiently. Energy retailers are charged for the use of our network, and these costs are then passed on to energy consumers through their electricity bills. Our network costs make up just over a quarter of a typical ACT electricity bill.

We are experiencing significant transformation within the energy sector. As the ACT pushes towards electrification of transportation and a move away from gas, Evoenergy will distribute more electricity than ever before.

Earlier this year, we submitted our five year electricity network proposal to the Australian Energy Regulator. This proposal reflects our commitment to taking steps towards a net-zero future while ensuring energy affordability. We have extensively consulted with our customers, community groups, and major stakeholders during the proposal development, and it is evident that achieving net-zero emissions and reducing the impact of climate change are top priorities for Canberrans.

Our electricity network caters to around one-third of the ACT's total energy needs. However, with population growth, the electrification of transport and the reduced use of gas, we anticipate there will need to be a significant increase in network capacity to meet the ACT's energy needs. This shift means a significant increase in investment in our network infrastructure is needed, which we have accounted for in our proposal. For the next regulatory period the expected increase in network costs is around \$7 per year for an average residential energy user. We believe this increase strikes a balance between the need for investment and the importance of stable costs for our customers.

The work planned for the coming five years will play a crucial role in the transformational energy journey we anticipate over the next two decades. We are fully prepared and committed to navigating this journey, facilitating the integration of more solar energy, batteries, and electric vehicles, and ensuring a reliable and safe electricity network for the future.

We acknowledge the essential role the ACT Government plays in our strategic planning. As we are regulated by the Australian Energy Regulator, government policy is a key factor in our regulatory submissions. We want to work collaboratively with the government to implement roll-out plans, ensuring policies and legislation can be factored into our future submissions.

In terms of impact on the electricity network, we are actively planning for the increased demand. To manage future loads effectively, we see that smart technology in EV charging will play a critical role.

We also proposed changes to our Tariff Structure Statement, which we provide to the Australian Energy Regulator as part of funding submission to provide fair and equitable

network pricing and encourage behavioural changes to avoid peak usage. It's worth noting Vehicle to Grid technology, while promising, is not yet approved by the Clean Energy Council for our network or the Australian market, except for special exemptions made for trials.

The scale of this energy transition is substantial, and its success hinges on an innovative, customer-focused and planned approach. As we prioritise the needs and expectations of our customers, we are prepared to break new ground, adapt, and innovate as we navigate this unprecedented journey towards a zero-emission energy system.

The Australian Energy Regulator is reviewing our proposal and consulting with stakeholders. Their draft decision is expected in September this year. This review process will provide invaluable insights, enabling us to better serve the ACT community as we navigate the energy transformation.