



Standing Committee on Planning, Transport and City Services

Inquiry into EV adoption in the ACT **ANSWER TO QUESTION TAKEN ON NOTICE**

Asked by Ms Jo Clay MLA on 15 June 2023: Ms Fiona Wright took on notice the following question(s):

Reference: Hansard [uncorrected] proof transcript [15 June 2023] [PAGE 9]

In relation to:

THE CHAIR: That is great. We also had—I think most people are probably most concerned about the impact on their bills. Not a lot of us think about the grid infrastructure behind it, and we heard quite reassuringly Evo Energy was predicting over the next five years there might be a \$7 increase in electricity as a result of what they were modelling, which is perhaps a bit more ambitious than needed given today's information, but maybe a \$7 increase on bills at a time when people might be not paying for petrol, diesel and gas as a result of the transition.

Have you looked at increases on bills at the back end for consumers? Is that sounding like what you are looking at?

Ms Wright: Look, it sounds aligned to what we are looking at, but again it is not an apples and apples response, because we have been looking at just in terms of what are the wholesale impacts to the networks, but if that were something that you would like us to look at we could take that one on notice.

THE CHAIR: If the information is available, what increases are likely, if that has been modelled. That would be quite helpful.

Mr Rattenbury: Yes. I mean, I think to be honest the bigger impact will be the changing wholesale prices. You know, those figures that Evo provided, I think most people would find a bit reassuring to be honest, and I think they are in the ballpark of what we would anticipate.

We have not broken it down that way of individual bills, so we can have a look at that, as Ms Wright indicated, on notice. But if you think about the variation we have seen in wholesale prices, when we saw our electricity price determination came out last week, wholesale electricity prices are up 92 or 93 per cent compared to the previous years.

So those sorts of margins are going to have a far bigger impact than the network charges that are being discussed here.

Mr Shane Rattenbury MLA: The answer to the Member's question is as follows:

Evoenergy's \$7 figure refers to an annual increase in network costs on electricity bills over the next five-year regulatory period (2024-29) in real terms. [<https://www.evoenergy.com.au/about-us/media-centre/2023-02-01-evoenergys-five-year-plan-for-the-electricity-network-submitted>]

The figure is not specific to the impact of electric vehicles. Additional network costs are linked to other factors, including population growth and location of additional population (specifically in-fill development), and continued electrification as households replace gas appliances.

The network costs include the following components:

- Transmission
- Distribution
- Jurisdictional schemes
- Metering

For the same components as Evoenergy used to determine its \$7 annual increase, ACT Government commissioned modelling over various scenarios range from an \$11 per year annual saving (decline in bills) in real terms through to a \$10.34 per year increase, with the base case scenario showing about a \$8.53 per year increase in bills. This modelling also covers the factors beyond electric vehicles considered by Evoenergy that impact network costs.

It includes the 80% electric vehicle sales target by 2030, and this suggests no additional investment requirement (and no bill impact) linked specifically to the higher number of electric vehicles to 2030.

As noted in evidence to the inquiry, the impact of electric vehicles on peak demand will be influenced by charging times and responsiveness to tariffs. These impacts will be better understood as the number of vehicles increases.

Approved for circulation to the Standing Committee on Planning, Transport and City Services

Signature:



Date:

27/6/23

By the Minister for Water, Energy and Emissions Reduction, Mr Shane Rattenbury MLA