

19 March 2020

Mr John Pierce
Chair
Australian Energy Market Commission
PO Box A2449
Sydney South NSW 1325

Via online submission

Dear Mr Pierce,

Re: RPR0012 - 2020 Retail Energy Competition Review – Electric Vehicles

TasNetworks welcomes the opportunity to make a submission to the Australian Energy Market Commission's (AEMC) 2020 Retail Energy Competition Review Electric Vehicles issues paper.

As the Transmission Network Service Provider, Distribution Network Service Provider (DNSP) and jurisdictional planner in Tasmania, TasNetworks is focused on delivering safe and reliable electricity network services while achieving the lowest sustainable prices for Tasmanian customers. TasNetworks is also currently assessing the feasibility of Marinus Link, a second Bass Strait interconnector between Victoria and Tasmania. All of these roles require the prudent, safe, secure and efficient management and development of the Tasmanian power system for the betterment of our customers. TasNetworks is therefore appreciative of the AEMC's ongoing annual efforts to review how retail competition is evolving across the National Electricity Market (NEM) and would like to provide the below feedback to the Electric Vehicles (EV) issues paper.

EVs will have a significant effect on the NEM and regulatory changes designed to integrate them will need to be wide reaching and comprehensive. Moreover, the use of EVs not only has the potential to change the characteristics of electrical loads, it also has the potential to facilitate and accelerate the development of a two-sided market. There are differing levels of EVs take-up across the globe and thereby a significant opportunity for learnings capture from countries where EV uptake has been far greater than in Australia.

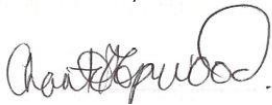
As noted in the Review, users of EVs may want to engage with multiple service providers and participate in the market for a number of services. Previous reviews, including the 2016 review in Multiple Trading Relationships, indicated considerable complexity and increased costs would be required to provide workable solutions. TasNetworks is supportive of further investigation in how customers can participate in a future two-sided market as long as it addresses the following concerns:

- Equity between customers is maintained by ensuring costs are only borne by those customers benefitting from the change.
- DNSPs remain responsible for ongoing operation of the distribution network and ensuring network security is maintained. This may challenge the ability for a service provider to guarantee a customer the ability to operate in any market in any location.
- Any changes are staged to prevent resource conflict between them and reduce change fatigue. For example the current changes to IT systems to address 5 minute settlement are a substantial change that will need to be embedded prior to a further major change to allow multiple retailers at one site.

TasNetworks has an interest in EVs, and their successful integration into the NEM is a strategic consideration for our business. We understand that the opportunity to use innovative techniques to integrate EVs needs to be thoroughly explored. Such exploration would allow for the prudent future development of a safe and secure electricity system at the lowest sustainable cost to Tasmanian customers.

Should you have any questions, please contact Tim Astley, Team Leader NEM Strategy and Compliance, via email tim.astley@tasnetworks.com.au or by phone on (03) 6271 6151.

Yours sincerely



Chantal Hopwood
Leader, Regulation.