

Jan 2024

QCA

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With reference to: [Regulated electricity prices for regional Queensland 2025–26](#)

Via the website: www.qca.org.au/submissions/

Introduction

The EVC is writing to the QCA in reference to electricity pricing in regional Queensland.

We have made a previous [submission](#) to this annual consultation in 2024.

The EVC finds that the Terms of Reference from the Minister are too rigid in specifying the N+R (network plus retail) cost buildup methodology for the modern market. We are calling for the QCA to go back to the Minister and ask for more flexibility in arriving at tariffs for regional Queensland, as the N+R method is no longer fit for purpose. Instead or in addition to this, the EVC asks the QCA to recommend a change of legislation to arrive at a method that can meet the uniform tariff policy. QCA deserve the flexibility to do their job properly for the good of regional Queensland.

TOU tariffs

Time-of-use tariffs are the single most effective and cheapest way to shift EV and other consumer load out of peak times, saving consumers money and supporting the network. Our updated report – Home EV charging and the grid: Impact to 2030 in Australia¹, shows the effectiveness of TOU tariffs, even in extreme temperatures. Page 11 explores the behaviour of Qld Ovo energy customers on January 22nd, 2024 a day which saw record

¹ [Home EV charging and the grid: Impact to 2030 in Australia - Electric Vehicle Council](#)

peak electricity demand. Those customers on EV TOU tariffs consumed on average 70% less electricity during the peak than customers on other tariffs.

Attractive TOU tariffs can benefit the network in regional Qld as well as consumers. A network supported in this way can offer more reliable supply, less risk of sparking fires, less investment in augmentation and a cheaper more efficient service for all Queenslanders.

Too few TOU tariff types

In our [2024 response](#), we called for more TOU tariff options, to mirror those available to consumers in SE Qld, such as the Ovo energy plan which features \$0.08/kWh midnight-6am and \$0/kWh from 11am-2pm. Other EV plans from AGL, Amber, Engie, Origin, and Powershop are detailed in the [report](#). The TOU tariff option available in regional Qld is too expensive and receives little buy in.

If we consider the example of an Uber driver operating an EV in Toowoomba, doing overnight charging at their home; they do 60,000kms a year, assuming an efficiency of 20kWh/100kms, this equates to feeding 12,000kWh into the vehicle per year. At around 30c/kwh on tariff 12B, it costs them \$3600. Compare this to an Uber driver doing the same kms around Brisbane who's with Ovo energy paying on average 8c/kwh, powering their vehicle could cost as little as \$960 for the year. This is devastating to services in the regions.

The value of EVs to an economy are well understood, providing both emissions and cost savings.² There remain too few TOU tariff options in Ergon Energy Network areas to realise the EV uptake rate that is possible and QCA say they are unable to help.

QCA unable to help

QCA acknowledged our calls in their response stating “However, this approach would not be consistent with the N+R framework, which involves us using the network tariff structures as a basis for the retail tariffs we set. This includes using the same time-of-use charging windows and customer eligibility conditions as those applied at the network-level.”³ This requires a reassessment of the suitability of the N+R cost buildup framework for the modern market. The Energex and Ergon Energy Network charging window are

² [https://www.energyandclimate.qld.gov.au/energy/vehicles-and-energy/electric-vehicles/about-evs/benefits-of-evs#:~:text=Increasing%20the%20number%20of%20EVs,of%20electric%20vehicles%20\(EVs\).](https://www.energyandclimate.qld.gov.au/energy/vehicles-and-energy/electric-vehicles/about-evs/benefits-of-evs#:~:text=Increasing%20the%20number%20of%20EVs,of%20electric%20vehicles%20(EVs).)

³ [Regulated retail electricity prices in regional Queensland for 2024–25](#) p12

currently 9am-4pm, 4pm-9pm and 9pm to 9am⁴. These, coupled with the network prices⁵ do not form an appropriate base to build an EV TOU tariff.

Networks understandably want to keep their tariff offerings simple and none too numerous. Retailers are finding more innovative ways to get market share by creating clever tariff structures. Regional Queenslanders should be able to benefit from some of that innovation, as EVs increase in number and other loads become more easily shifted. We cannot rely upon DNSP tariff structures to appropriately underpin retail tariff structures when regulatory resets occur once every 5 years. The N+R cost buildup methodology needs an overhaul.

Recommendations

The EVC calls on;

- the QCA to go back to the Minister and ask for a less rigid method of arriving at tariffs for regional Qld. N+R is no longer fit for purpose, or
- The QCA to recommend a change of legislation to arrive at a method that can meet the uniform tariff policy. QCA deserve the flexibility to do their job properly for the good of regional Qld.

The EVC also notes that In 2024 the QCA received 5 responses to its interim consultation, due to the timing over the summer holidays.⁶ There are many more bodies concerned with electricity pricing in regional Queensland, that were taking a much-needed break. The consultation will be more meaningful if conducted outside of the holiday period.

If you have any questions on this submission, please contact Michael, at office@evc.org.au.

Thank you for your consideration of our submission.

Yours sincerely,

Michael Shaughnessy

Electric Vehicle Infrastructure Officer

Electric Vehicle Council

⁴ [Energex Network Tariff Guide 2024-25](#), [Ergon Energy Network Tariff Guide 2024-25](#)

⁵ https://www.energex.com.au/_data/assets/excel_doc/0020/1314425/Energex-2024-25-Network-Price-List-Updated-for-Sch-8.xlsx, https://www.ergon.com.au/_data/assets/excel_doc/0018/1314414/Ergon-2024-25-Network-Price-List-Updated-for-Sch-8.xlsx,

⁶ [Regulated electricity prices for regional Queensland 2024–25](#)