

Mr Arek Gulbenkogu
General Manager, Network Expenditure
Australian Energy Regulator
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Canberra ACT 2601
Lodged via email: AERresets2024-29@aer.gov.au

18 January 2024

Dear Mr Gulbenkogu

Evoenergy's 2024–29 revised regulatory proposal

ActewAGL Retail (ActewAGL) welcomes the opportunity to respond to Evoenergy's Revised Electricity Distribution Regulatory Proposal 2024–29.

ActewAGL is a retailer in the ACT and surrounding NSW, providing energy to the Canberra region and nearby centres in south-east NSW including Queanbeyan, Goulburn, the Snowy Mountains, Nowra and the South Coast.

ActewAGL has reviewed the Australian Energy Regulator's (AER's) draft decision along with Evoenergy's revised proposal for its *2024–29 Electricity Network Regulatory Determination* (including its Tariff Structure Statement (TSS)).

ActewAGL generally supports the refinements to tariff structures compared to those originally proposed. ActewAGL does also however, consider several elements of Evoenergy's proposed tariff structures, assignment policies and processes still require further consideration prior to the AER's decision being finalised.

Simplification of residential network tariffs in Evoenergy's revised proposal

ActewAGL supports the simplification of network tariffs in Evoenergy's revised proposal. The revised residential demand and time-of-use tariffs are likely to achieve the broad objective of cost reflective network pricing, in a manner which is simpler than the structures outlined in Evoenergy's original proposal.

In ActewAGL's previous submission to Evoenergy's regulatory proposal, we raised concerns with the complexity of residential tariffs which could have reduced the efficiency of price signals and impacted the take-up of cost reflective tariffs.¹

ActewAGL considers the simplified charging windows in the revised proposal Time of Use (TOU) tariff and the removal of the overnight inclining block off-peak charges reflect a network tariff more closely aligned with the preferences of retail customers.

¹ ActewAGL, *Australian Energy Regulator (AER) Issues Paper – Evoenergy's 2024–29 regulatory submission*, 12 May 2023, p.1.

ActewAGL will continue assessing tariff proposals developed by ACT/NSW Distribution Network Service Providers (DNSPs) to determine if and how they will be incorporated into future retail offers.

While ActewAGL supports Evoenergy's move to simplify tariffs in its revised TSS, it considers some matters require further review, including the increasing number of legacy tariffs and assignment policies applicable to them.

Tariff changes arising from B2B market notices need to be clarified

ActewAGL notes the TSS should contain all rules and procedures governing the assignment of premises to tariffs during a regulatory period. At present the Business-to-Business (B2B) market transaction codes which generate tariff changes are not covered in the TSS, however including this detail would give greater transparency to retailers. For example, the movement of premises back to default tariffs (currently 025 and 106, and soon to be 023 and 106) because of various 3000 series market transaction notices² nullifies a retailers' previous efforts to change the tariff of a site and generates unnecessary administrative burden on retailers.

ActewAGL considers an explanation of all the possible scenarios through which Evoenergy could move premises back to default tariffs (either from Evoenergy or the AER) is required. This would assist retailers in preparations for the accelerated smart meter rollout from 1 July 2025, when the tariff change notices which retailers must issue customers, will become significantly more prescriptive.

ActewAGL supports Evoenergy removing its residential network export tariff

ActewAGL supports the removal of Evoenergy's residential export tariff in response to stakeholder feedback. ActewAGL considers 'solar soak' charges are a simpler and more customer-friendly way to incentivise the efficient use of the electricity network.

ActewAGL also supports the removal of Evoenergy's date-specific tariff assignment policies given the administrative complexities that would have been associated with implementation.

Controlled load tariffs likely to be unsuitable for electric vehicle owners

ActewAGL does not consider customer-facing controlled load tariffs as an appropriate means of facilitating widespread EV charging. As outlined to the AER during stakeholder consultation, there are several drawbacks faced by consumers using a controlled load tariff for EV charging, including a lack of control over charging times and an inability for the customer to use their own solar for charging their vehicle.

Design of large-scale battery tariff

ActewAGL does not support the design of Evoenergy's proposed large-scale battery tariff, and in particular, the proposal for a capacity charge. Evoenergy proposes to levy a capacity charge based on the maximum *anytime* demand over the previous 13 months. It is unclear why an *anytime*

² For example, a B2B market notice 3081 (Advanced change of meter details) results in existing smart metered sites on TOU being defaulted back to demand tariffs (eg 025 or 106) without retailer input. Likewise, a B2B market notice 3050(Change or add register/solar) also results in an existing smart metered site on TOU being defaulted back to demand without retailer input.

capacity charge has been chosen, instead of one that is targeted to a specific time of day.

The absence of any 'solar soak' period during daylight hours for the battery to charge, means it's extremely likely a battery operator would be levied capacity charges on the import of daytime solar energy. This is counterintuitive to the overall intention of network batteries (to incentivise the import of daytime electricity). Other DNSPs (for example Essential Energy) have created a 'solar soak' window from 10am to 3pm³ in their large-scale battery tariffs.

Tariff trials undertaken during the 2024–29 regulatory period

ActewAGL supports network tariffs trials, however would require advanced notice of any trials scheduled for during the regulatory period.

ActewAGL would consider participating in tariff trials where the benefits gained are likely to outweigh the administrative and legal/regulatory complexities the trials present.

Timing of release of final network prices for 2024–25

ActewAGL encourages the AER and Evoenergy to publish finalised network prices as soon as possible following the release of the AER's Final Determination in late April 2024.

It is likely that the approved network prices will be the last data input needed for ActewAGL to finalise ACT retail electricity prices for 2024–25.

Over recent years, relevant timeframes have compromised ActewAGL's ability to undertake all work necessary (including assurance) to meet its relevant legal and regulatory obligations, including under the ACT Retail Electricity (Transparency and Comparability) Code (ACT Code) and National Energy Retail Rules (NERR). This has resulted in ActewAGL needing to seek an exemption from the ACT Code to also comply with its NERR requirements.

Specifically, ActewAGL requests that the publication of Evoenergy's network prices occurs before the final decision of the AER's Default Market Offer is released for NSW, which must occur no later than the first business day after 25 May.⁴

Should you have any questions in relation to this submission please contact Rohan Richardson, Group Manager Business Intelligence and Transformation, on [REDACTED] or via email to [REDACTED]

Yours sincerely

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Rachael Turner
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³ [Essential Energy - 9.02 Revised Tariff Structure Explanatory Statement - Nov23 - Public 0.pdf \(aer.gov.au\)](#)

⁴ Competition and Consumer (Industry Code—Electricity Retail) Regulations 2019.