



Drive Electric (CPO subgroup) submission on Commerce Commission - Information Disclosure Amendment Determination 2024

15 September 2023

Introduction

1. This is the submission of Drive Electric's Charge Point Operator (CPO) subgroup on the Commerce Commission (Commission) Targeted Information Disclosure (ID) Review (2024), Electricity Distribution Businesses Draft Decision - Reasons paper that was published on 17 August 2023. This submission represents the views of the CPO subgroup.
2. The Drive Electric CPO subgroup welcomes the opportunity to submit on the Commerce Commission Information Disclosure Amendment Determination (ID Determination). We consider that 2023 is a very important year for New Zealand to get the right building blocks in place to provide users of electric vehicles (EVs) with charging infrastructure across New Zealand.
3. We believe that Drive Electric membership has a key role to play here, and this submission is a unique opportunity to give the Commission direct input from EV consumer-facing charge point operators who provide the New Zealand public with charging services. We are also providing this submission representing CPOs as customers of electricity distribution businesses (EDBs).
4. Private sector investment into public charging networks is seriously hampered because of the costs (connection and use of system charges) and processes associated with connecting to electricity networks under the current regulatory system. Demand for energy by EVs is growing quickly, and if we don't enable investment in public charging infrastructure, there will be undesirable consequences for EV users, electricity networks, and for New Zealand's electrification opportunities.
5. CPOs have recently provided submissions to both the Commission and the Electricity Authority which included analysis and evidence about the less-than-satisfactory state of the roll out of public EV chargers. CPOs are concerned that a market failure is unfolding which, if we are correct, will place the electrification aspirations of New Zealand in jeopardy. We reference those submissions here but do not repeat their content.¹

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https://comcom.govt.nz/_data/assets/pdf_file/0018/323118/Drive-Electric-Submission-on-IM-Review-2023-Draft-Decisions-19-July-2023.pdf, and https://www.ea.govt.nz/documents/3549/Drive_Electric_-_Targeted_Reform_of_Distribution_Pricing_-_Submission_Aug_2023.pdf

Submission purpose

6. Our reading of the ID Determination indicates that the Commission understands the importance of having accurate information on distribution networks available to a wide range of stakeholders. CPOs are unique stakeholders in that they are both EDB customers and are service providers to current and future EV drivers across New Zealand.
7. One of the challenges that CPOs face is the lack of information from distributors regarding their network configuration, network constraints, network costs and network connection availability and timing. Our aim with this submission is to draw the Commission's attention to where we consider the ID Determination will support overcoming these issues and where we consider the ID Determination should be amended further to head off the market failure that is unfolding.

Our feedback on the ID Determination

8. Our feedback to the Commission has a focus on where we believe the Commission can help CPOs (and other access seekers) to overcome the emerging problems with network connection information both immediately and overtime as the electrification of the New Zealand economy progresses.
 9. We are particularly supportive of the Commission making a commitment at this time to widen the scope of what was its 'targeted' ID review (TIDR (2024)) and is staging the review over a number of years in response to changes in the external environment. CPOs are at the cutting edge of the changes that EDBs are facing, and we can be up-front in saying that our needs for network connections will grow in scale and scope as transport electrification matures.
 10. It is important that the Commission is open to further developing ID arrangements as this maturing unfolds. Electrification of the economy will inevitably result in changing priorities and making trade-offs between current EDB business requirements and the requirements of the wider electrification of the economy. We are conscious that EDBs cannot do everything at once and at speed and they will therefore need both policy and regulatory direction on the priorities and trade-offs.
 11. Our concerns with information availability from EDBs are in the following areas:
 - a. Network spatial information GIS
 - b. Network capacity and constraint information
 - c. Detailed information on connection costs
 - d. Information on connection delivery times
 - e. Information on connection provisioning process
 12. We agree with the Commission refining priorities along the lines set out in para 1.26, - all three of these issues speak to the concerns we have listed in para 11 above.
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Decarbonisation is obviously top of our list of concerns, but we are of the view that some of the information that we seek to allow us to deliver a network of public chargers could be (or should be) included in the asset management plans (AMPs) of the EDBs. We do consult the AMPs to try and identify whether our preferred charging sites are ‘doable’ in an EDB network sense, but current AMPs are short on being fit-for-purpose in this regard.

13. We also agree with Amendment D3 which requires EDBs to disclose a range of new information on zone substation capacity and constraints. It seems however that most of the information required to be disclosed relates to peak loads, capacity or security constraints at zone substation levels. For CPOs it is important that these same types of disclosures are extended into the lower voltage networks where public charging connections take place.² At present it takes a formal application to an EDB to ascertain whether there is capacity in the network, which is costly and time consuming - presumably for all parties.
14. We consider that Amendment D6 is a good start with disclosures relating to standardised pricing components across EDBs. The absence of both a consistent approach to connection pricing and the lack of visibility as to the cost-price relationship is a constant challenge for CPOs and is the single biggest contributing factor to CPOs determining a site is uneconomic for investment. Put simply – the opaque cost-price relationship for connections causes many charging sites to fail a viability test in the planning stage.
15. We have read and we support the Commission’s detailed explanation of the Amendment D6 changes from paragraph 3.113 regarding coordination with the Electricity Authority (Authority). We have provided the Authority with a comprehensive submission on its targeted distribution pricing Issues paper where we set out the challenges and constraints that CPOs face for network connections.
16. Transparency of pricing components as proposed from para 3.113 in the paper will certainly help us understand pricing make-up at a high level but is unlikely to help with the more detailed issues that we set out in our submission and cross submission to the Authority. We proposed to the Authority that it should intervene and mandate a structured access regime for CPOs to bring standardisation to processes and pricing, and timeliness to setting up connection arrangements. We consider that the Commission’s ID Amendment proposals need to align with any mandated access regime so that the outcome is a fit-for-purpose regulatory framework that can adapt as the market for public charging develops over time.

Conclusion

² To quote one of our CPO members to illustrate further – “The best level of information for CPOs would be location of cables and characteristics (e.g. capacity, cable size, material, No of ICPs connected) across the LV network. Next best would be information at the distribution transformer level. Any level higher than this (e.g. zone substation) provides limited value (such as indication of whether additional upstream costs are likely or not) and doesn’t provide enough information at the point of connection for the certainty required. In addition to the distribution transformer, understanding capacity on the 11kV distribution network cables would be beneficial (as long as we know where the cables are)”.

17. We consider that the resolution of the issues that are giving rise to an emerging market failure will require a well-coordinated regulatory approach by the Commission and the Authority. By this we mean that these ID amendments need to provide access seekers with the appropriate information from EDBs to be efficient with their connection requests, while the Input Methodologies (IMs) need to include provisions that enable and incentivise EDBs to respond to requests for connections and capacity in a timely and efficient manner. We see the Authority as the regulator that will mandate 'how' this will all work under a regulated access regime. We are happy to assist further in getting this right.