



11 April 2019

Electricity Authority + Commerce Commission Joint Project
Attention: Kimberley Foo / Senior Analyst – Regulation, Commerce Commission

By email: eacomcomjointproject@comcom.govt.nz

Dear Kimberley,

ChargeNet NZ Limited (ChargeNet) welcomes the opportunity to submit to the Electricity Authority and the Commerce Commission. The consultation on the 1 April 2019 Terms of Reference for the joint project on emerging contestable services is timely, particularly given the current spotlight on electricity and electricity prices. This topic is of significance to ChargeNet given our ongoing commercial activities providing electric vehicle charging infrastructure to New Zealand, and is in our opinion long overdue.

ChargeNet is the Southern Hemisphere's largest privately-held network of fast chargers for electric vehicles (EVs). ChargeNet has installed over 130 fast chargers across New Zealand, and plans to install at least 40 more in 2019.

Emerging technology impact assessment

There has been a role for EDBs to investigate emerging technologies and the impact such technology may have on its distribution network – for instance, the impact of electric vehicles. For many EDBs, once a satisfactory level of data had been obtained to enable future investment requirement decisions, those EDBs have engaged ChargeNet or other software providers to provide billing capability and bill their customer base an appropriate amount for those services. This decision has not precluded charger asset ownership by EDBs, as a number have retained ownership (with appropriate guidance from the Commerce Commission) and simply outsource the billing and monitoring requirements.

Lack of competition in the market

Competition is a key mechanism for driving benefits for electricity consumers. Competition drives innovation and improved services for customers and also keeps prices fair and reasonable.

We support the Electricity Retailers Association New Zealand (ERANZ) in the following point, which we understand has also been submitted to this project:

“The lack of a level playing field, and the significant advantages that confers on partly non-competitive businesses such as distributors, means those short-term benefits risk forcing purely competitive market participants to exit over time, or to prevent new providers from entering the market – ultimately reducing choice and harming consumers.”



With electric vehicle charging, the Auckland and Hamilton markets present particular challenges for competition: ChargeNet is unable to effectively compete due to EDBs providing free charging. The existence of free chargers has a chilling effect on investment - suppressing installation of sufficient numbers of chargers in those markets. This can be easily identified on a map of charging stations available across New Zealand.

Impact on consumers

Potential electric vehicle drivers in these markets see regular queues and congestion at free charging stations, and sadly assume this is a regular occurrence at chargers around the country where there are fewer chargers. This is simply not the case. This second guessing of the level of infrastructure available across New Zealand does nothing to promote competition, a fair price for consumers, nor does it aid in New Zealand's transition to a zero carbon economy by stalling electric vehicle uptake. The net result is technology and innovation is stifled and electric vehicle uptake has plateaued in regions that should be thriving.

Regulatory environment

Overall, we have concerns around EDB participation in emerging contestable services without appropriate oversight and clearly defined scope indicated from the regulator, as detailed below. We are concerned the status quo does not provide the regulator with enough power and we support the work being proposed in order to create a level playing field of competition, promoting the best outcome for consumers.

Regulatory oversight might include:

- Transparency and disclosure regimes;
- Regulator monitoring and enforcement measures (though we would suggest this would need to be achieved within a suitable period of time to bring effect to the measures)
- Clearly defined scope for competitive investments.

Ongoing engagement

We are very engaged on this topic given the effect on our core business, and see ChargeNet as a key stakeholder in this consultation. We are happy to attend workshops and other opportunities to engage on the work. We look forward to discussing the issue in greater detail with both the Electricity Authority and Commerce Commission.



Yours sincerely,

Vanessa Wills
Stakeholder Relations Manager
vanessa.wills@charge.net.nz
021 222 6628