



EVC response to DELWP - Protecting consumers of DER

The Electric Vehicle Council (EVC) is the national peak body representing the electric vehicle industry in Australia. Our members include companies involved in providing, powering, and supporting electric vehicles.

November 2022

With reference to:

<https://engage.vic.gov.au/protecting-consumers-of-der>
<https://engage.vic.gov.au/download/document/29484>

EVC position.

We'd suggest in the first instance that the DELWP team undertaking this piece of work, to the extent that this work contemplates Electric Vehicles and Electric Vehicle charging, review the EVC response to the AER's retailer authorisation and exemption review, which covers much of the same ground:

<https://electricvehiclecouncil.com.au/submissions/evc-response-to-aer-retailerauthorisation-and-exemption-reviewissues-paper/>

We particularly draw attention to the relative essentiality of vehicle fuel supply to consumers for private vehicle use (currently mostly petrol/diesel, and in future mostly electricity) compared to fuel for domestic use in the home (principally electricity and gas).

Vehicle fuel supply to consumers today is not treated as an essential service in the same way electricity and gas supply, and it does not need to be. Caution should be exercised such that we do not expand consumer protections needlessly. Over-doing consumer protection in this regard could reasonably be expected to result in reduced competition in the marketplace, and increased costs, which are of course ultimately borne by consumers. In the case of EV, this would constitute the creation of additional barriers to EV uptake, inhibiting our achievement of net-zero goals.

Further, we'd note that electricity as vehicle fuel is relatively unique as DER, in that it can be sourced in many locations, rather than being tied uniquely to the consumers' network connection. The consumer is tied to a monopolistic infrastructure for supply of electricity and gas for their home, and so requires a substantial consumer protection framework. In the case of the electric vehicle, if the consumer is not satisfied with the offer of a particular

service provider of EV charging, they can easily take their vehicle elsewhere for charging, in the same way that they can shop around for petrol today.

The EVC notes that the Victorian government's recent general exemption order provides a deemed exemption for parties selling electricity for the purpose of charging electric vehicles. The EVC considers this to be entirely appropriate, and in keeping with the principle that energy for vehicles is less 'essential' than energy for homes, and so requires less in the way of consumer protections.

With respect to specific questions raised in the DELWP consultation paper:

Questions 1-7:

For consumers in standalone homes, the transition to EV is typically easy from an energy standpoint. Many consumers can simply start using the powerpoint on the garage wall. Those who wish to install a higher power charger in the home can do so, using the services of either specialist installers, or domestic electricians. The Victorian government has recently funded the development of a training program specifically aimed at electricians to enable them to give better guidance to consumers, and deliver fit for purpose and cost effective installations.

It is not apparent that any additional consumer protection requirements are needed or warranted in the context of EV charging in domestic homes at this time.

For consumers in apartment complexes, there are many, many challenges. The EVC has explored these issues in our submission to the Australian Building Codes Board:

<https://electricvehiclecouncil.com.au/submissions/evc-submission-to-australian-building-codes-board-on-draft-ev-readiness-provisions-in-national-construction-code-2022%ef%bf%bc/>

This said, the key issues/inhibitors/problems in the EV domain in apartment complexes are not related to consumer protection. The challenges are grounded in physical system limitations, electrical regulations, tenancy law and body corporate law.

The EVC is happy to engage with the Victorian Government on a wider discussion around these issues.

Questions 8-9: Operating DER products and services, and disposal at end-of-life

In the context of EV charging, the typical home EV charging appliance will last for years. When it eventually fails, an electrician will be required to remove it from the wall. The electrician may dispose of the broken equipment on behalf of the homeowner (following their usual practices for disposal of broken electrical equipment), or they may leave it for the consumer to dispose of. If they leave it for the consumer to dispose of, it would be reasonable to assume that it would end up in the household waste bin – the equipment is about the size of a shoe box.

The end-of-life disposal of the vehicle is a different matter entirely. We are already seeing industry in Victoria invest in building out the recycling apparatus to handle end-of-life electric vehicles, and the batteries therein. It is highly unlikely that waste EV batteries will end up in landfill, but it would be appropriate for government to maintain a watching brief in this space. In the event of significant market failure (ie, EV batteries ending up in landfill), regulatory intervention would be warranted.

In particular, the EVC notes that while a levy applied to AA and AAA batteries to fund recycling initiatives is appropriate in addressing an existing and long running market failure, the application of a levy to EVs at time of import would constitute a new tax on EVs, and would be opposed by industry.

Questions 9-10: Avenues for resolving disputes about DER products and services

It is not apparent that there are a significant number of disputes arising with respect to EV charging, which would warrant the expansion of the ombudsman role.

Many of the potential disputes that could arise in this domain are already within scope of EWOV under the existing framework.

Expansion of the EWOV scheme to include EV would naturally add obligations (and hence cost) to businesses delivering services, which could be expected to ultimately flow through to increased costs for consumers.

On this basis, the EVC would suggest that it would be appropriate to identify actual consumer harms relating to EV charging that are occurring at meaningful scale, which the proposed expansion of the EWOV scheme would be the best way to address, before expanding the EWOV scheme to include EV sector participants.

Question 12-14: A regulatory framework for DER products and services

With respect to consumers buying EV charging equipment and services, it is not apparent that the existing regulatory framework is deficient. There are many established protections in place, including ACL, electrical licensing requirements for installers, and in the context of the home electrical supply all of the existing protections associated with it.

EV uptake is nascent, and largely in the domain of early adopters. We can reasonably expect that issues will emerge, but we do not yet know what they will be. If we attempt to regulate for potential consumer protection issues that have not yet emerged, we run a significant risk of stifling innovation, and raising barriers that inhibit Victorian consumers' desire to shift to electric vehicles.

This said, we note that EWOV (and the various other ombudsmen) receive complaints from consumers of all kinds. While they may not always have standing or jurisdiction to action complaints relating to EV charging, the EVC suggests that it would be appropriate for the EVC as the industry peak body to undertake a periodic review of complaints raised with EWOV and other ombudsmen related to EV charging, in order that any emergent problematic trends can be identified, and ideally dealt with by industry without need for the creation of new regulation and obligations.

The EVC is committed to the acceleration of EV uptake. If there are emergent trends indicating negative outcomes for consumers associated with EV charging that are resulting in complaints to ombudsmen, we would like to know about them, so that we can work on the industry side to solve for them. Individual complainants could be de-identified for these purposes; the intent is to identify emerging trends while they are small.

Further, we note that for the vast majority of EV drivers, home EV charging, which is the majority of EV charging, and the only element which is somewhat monopolistic in nature, is likely already within the purview of EWOV under existing jurisdictional arrangements, because it is simply part of the supply to the dwelling.

In this regard, the transition from petrol and diesel to electricity as vehicle fuel can be expected to have an unintended consequence of enhancing consumer protections with respect to access to vehicle fuel.

15. Are there any other considerations about issues for consumers of DER not covered in this paper that you would like to raise?

The Victorian government has provided substantial financial support to enable consumers to purchase EVs. Part of this process involves the collection of contact information for thousands of relatively new EV drivers.

If the Victorian Government were inclined to be pro-active on this matter, rather than moving first to develop new regulation, the government could run a survey of a sizable sample of Victorian EV drivers to discover potential issues. It's the early adopting EV drivers that are going to find the regulatory gaps that are causing harm, if they're systemic and significant.

A survey of this nature could be expected to numerically confirm many things we know already:

- Getting EV charging equipment deployed in existing apartment complexes is highly problematic.
- EV drivers living in terrace houses need to rely on public chargers.
- Public high power charging is not reliable enough yet.
- Public high-power charging is more expensive than charging at home.

None of these matters are likely to be helped by expansion of EWOVs role - they're structural issues that require a significantly wider discussion than consumer protection frameworks – but by asking the relevant consumers what their experiences have been, it might be possible to uncover matters that **could** be improved by additional consumer protection regulation.