6 COMMENTS

The energy retailers offering lousy deals for home EV charging – on rates and control

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Electricity retailers offer plans for the supply of electricity. In the general residential customer space, many of these plans are really simple – a daily charge, and a fixed price per unit of energy (which is measured in kWh).

We call those flat rate plans. Others have a bit more nuance – the price per kWh varies, depending on the time of day, to encourage customers to use energy at particular times of day. We call those time-of-use plans. There are other options too, but we're not addressing those in this piece.

In most of the country, at a residential level, there's competition between retailers – so, a customer can pick from a wide variety of retailers, offering all sorts of different plans.

For EV drivers, this means that in most of the country, it's easy to access retail time of use plans that provide sub-10c/kWh pricing in the middle of the night for EV charging, sometimes coupled with a modest premium for usage in the rest of the house during the afternoon peak. At time of writing, some of the best offers of this type currently in market come from Simply Energy, Powershop, Ovo, and AGL.

EV drivers that sign up to these plans then shift their EV charging use out of peak times, which has the effect of saving them money, and putting downward pressure on energy prices for everyone else through improved network utilisation. There's a bunch of ways for them to do this – one of the easiest is setting the preferred charging time in their car, much like setting a preferred radio station.

In regional Queensland and in parts of WA, though, these competition-driven, aimed-at-the-EV-driver retail plans aren't available. In WA it's because retailing to residential consumers in the more popular south-west is limited to Synergy, the government owned retailer. Synergy has a residential EV plan – it's just not as good as the leading ones in the competitive markets over east, so it's not very popular with EV drivers.

In Queensland it's because the government owned retailer (Ergon Energy Retail, part of Energy Queensland) is the beneficiary of a significant government support payment (the CSO) that doesn't apply to other retailers. The CSO doesn't prevent good retail plans from existing, but it does have the effect of keeping other retailers out at the residential level, which limits the available options – it means that if good retail plans are going to exist, Ergon Energy Retail has to offer them.

In regional Queensland, residential consumers have access to a flat rate plan (tariff 11) from Ergon Energy Retail, at 33c/kWh for usage any time. They have the option to pick a time of use plan (tariff 12C) that provides discounted electricity overnight (20c/kWh instead of 33c/kWh), but accessing this discount means accepting a big increase in price at peak time (61c/kWh, rather than 33c/kWh) as part of the same plan.

Essentially, the penalty for each kWh used at peak time is twice the size of the saving for each kWh of usage shifted to off peak overnight. Fairly obviously, this is not a great deal for the consumers if they need to use much electricity in the afternoons – they're better off on the flat rate plan, which (unfortunately for the grid, and all the other consumers) gives them no incentive to shift their EV charging off peak.

The process for fixing this is that the Queensland Competition Authority works with Ergon Energy Retail each year, at the direction of the energy minister, to update the Ergon's retail plans. This year, the EVC provided feedback direct to Ergon Energy Retail and into the formal QCA-led process along the lines that:

- in the interests of ensuring regional Queenslanders get access to similar pricing options to people in Brisbane, and
- in the interests of encouraging EV drivers to charge off peak (which is good for the grid),
- the review process should look at the proven-effective time of use retail plans aimed at EV drivers available in Brisbane and emulate them in regional Queensland.

Instead of picking up on this recommendation, the plan published by QCA last week is looking to make the flat rate plan more attractive (30c/kWh flat rate, down from 33c/kWh), while making the overnight rate in time of use plan (tariff 12C) less attractive (23c/kWh, up from 20c/kWh).

They also plan to reduce the peak time price in this plan from 61c/kWh to 54c/kWh…. The net result of the tweaks to the existing time of use structure is that the penalty for each kWh used at peak time is proposed to be more than three times the size of the benefit from each kWh shifted to off peak. The time of use plan on offer was already bad for consumers by comparison to the flat rate before these proposed changes – and on the current plan from QCA, it looks like it's going to get even less attractive by comparison to the flat rate plan.

The QCA is accepting submissions to this draft determination until the 21st of May.

If you'd like:

- to see EV drivers in regional Queensland get access to the same kinds of deals available to EV drivers in Brisbane, and/or
- to see EV drivers in regional Queensland incentivised to avoid charging their cars at peak time, in order to help keep energy prices down for everyone, then you can access details of the work to date here:

https://www.qca.org.au/project/customers/electricity-prices/regulated-electricity-prices-for-regional-queensland-2024-25/

and you can make a submission here:

https://www.qca.org.au/submissions/

a Queenslander interested in the future cost of your electricity, you might want to drop a note to your local MP as well – or just forward them this article. Even if you've no interest in buying an EV anytime soon, encouraging the people who are buying EVs to charge their cars in a way that minimises impact on the grid, and which helps keep electricity prices down for everyone, is a good idea.

In parallel with what's shaping up to be a failure to provide consumers in regional Queensland with attractive retail options that will encourage grid-friendly EV charging, we're seeing Ergon Energy Network and Energex (two other parts of Energy Queensland, separate entities from Ergon Energy Retail) pushing forward with requirements in their service and installation rules that industry standard single phase EV chargers, when installed in single phase homes, have to be installed such that Ergon or Energex can control them.

Queensland is the only jurisdiction in the country attempting to require consumers to give up control over EV charging in their homes without their consent in this way. This unique position runs in opposition to the Australian Energy Regulator's recent advice to Energy Ministers on consumer protection – which, not surprisingly, considers consent to be an important part of consumer protection.

At a practical level, however, Ergon and Energex aren't really in a position to effectively enforce their rule, and didn't enforce the previous version of this rule as far as we know. The relevant government regulator is the Electrical Safety Office, which gets involved when electricians do things that aren't safe. Electricians ignoring this rule isn't a safety issue, so the regulator is unlikely to be interested.

Not surprisingly, a unique rule that demands control over appliances in the consumer's home without their consent, and which isn't effectively enforced, gets ignored by lots of installers who are just trying to give their customer what they want. This rule doesn't effectively prevent Queensland consumers from getting an EV charger installed without handing control over to the network. Instead, it causes the electrical installers who are trying to follow the new rule to lose work to the multitude of installers that are ignoring the rule. Many industry participants are dealing with the resulting confusion.

By way of analogy….

Put a plateful of chocolates on your dinner table, alongside a plateful of steamed broccoli. Introduce a bunch of hungry kids to the room. Put a sign on the wall that says they're not allowed to eat the chocolate, but they can have the broccoli if they clean up after themselves…. And then leave the room, without saying when you'll be back, or what will happen if you return to a mess.

about other kids breaking the rules, and kids with chocolate on their faces swearing they ate the broccoli…. Could you have planned snack time a bit better?

Ultimately, the EV drivers are going to decide when they charge their cars at home, in the same way that we decide when we want to use any of our other appliances. If someone other than the driver wants to control an EV charger in a typical home – they'll need to ask first and offer a deal the driver likes. That's the basis of consent, and once an organisation has the consent of the customer, there's all sorts of ways to manage the customer's electrical loads.

As mentioned above, we've all got a strong interest in working towards home EV charging generally happening outside of peak times, because that's our shared pathway to lower energy costs for everyone.

So: what's the best way to achieve grid friendly EV charging?

Make sure EV drivers have clear, easy pathways to saving meaningful amounts of money if they do the right thing by the grid, without heavily penalising them for their general household use, or demanding control of their stuff without their consent – and then promote the pathways.

It's not complicated, or expensive, and it's already well underway in most of the rest of the country… but it will take a little bit of sensible reform to bring it off in QLD and WA.

Ross De Rango is head of energy and infrastructure at the Electric Vehicle Council

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