



25 June 2026

Australian Energy Market Commission
Level 15, 60 Castlereagh Street
Sydney NSW 2000

By electronic lodgement:

Rule Change: Facilitating electric vehicle charging infrastructure under Commonwealth grants (ERC0436)

Introduction

The Clean Energy Council (CEC) welcomes the opportunity to respond to the Australian Energy Market Commission's (AEMC) Consultation Paper *Facilitating electric vehicle charging infrastructure under Commonwealth grants (ERC0436)*.

The transition to electric transport is a critical component of Australia's decarbonisation pathway, and the availability of reliable, accessible and well located charging infrastructure will play an important role in supporting consumer confidence and accelerating electric vehicle (EV) uptake.

The CEC recognises that parts of the EV charging market currently face challenges associated with network connections, infrastructure planning, coordination between stakeholders and commercial viability in certain locations. While these issues can slow deployment, we do not consider them to constitute a widespread market failure. Rather, they reflect the characteristics of a rapidly developing market where investment decisions are influenced by uncertainty around future demand, utilisation rates, planning processes and risk allocation.

In responding to this consultation, the CEC has focused on identifying policy and regulatory arrangements that can accelerate charging infrastructure deployment while preserving competition, encouraging private investment and protecting electricity consumers from unnecessary costs. Our submission supports a greater enabling role for Distribution Network Service Providers (DNSPs), particularly in facilitating connections, improving network transparency and reducing deployment barriers. However, we consider that ownership and operation of charging infrastructure should remain primarily the responsibility of competitive



market participants, namely Charge Point Operators (CPOs), who are best placed to identify customer demand and deliver charging services efficiently.

The CEC therefore advocates for a balanced framework that combines network-enabled deployment with market-led investment. Such an approach will support the timely rollout of charging infrastructure, maintain competitive neutrality, align with emerging Distribution System Operator (DSO) reforms, and ensure that investments are directed to locations where they deliver the greatest benefit to consumers and the broader electricity system.

Executive Summary

The Clean Energy Council supports the AEMC's objective of accelerating electric vehicle charging infrastructure deployment to support transport electrification and emissions reduction. However, the CEC does not consider the primary challenge facing EV charging infrastructure rollout to be a broad market failure. Rather, the challenge is one of coordination, information asymmetry, planning inefficiencies and risk allocation between infrastructure providers, network businesses, government/s and consumers.

While charging infrastructure availability influences EV adoption, the CEC considers that competitive markets remain capable of delivering most charging infrastructure over time. Regulatory intervention should therefore focus on removing barriers to investment and improving deployment efficiency rather than replacing market led delivery models.

The CEC supports a framework built around a "DNSP enabled, CPO delivered" approach. Under this model:

- Charge Point Operators retain responsibility for site selection, ownership and operation of charging infrastructure.
- Distribution Network Service Providers facilitate efficient deployment through connection reform, network planning, infrastructure readiness, data provision and improved transparency.
- Investment decisions remain primarily driven by customer demand and market signals.
- Public funding and regulated cost recovery are reserved for network enabling works or clearly demonstrated market gaps.

The CEC agrees that charging access remains a particular challenge for households without off-street parking and acknowledges the importance of kerbside charging solutions. However, the success of kerbside charging depends on consumer demand, parking behaviour and local planning considerations rather than network capacity alone.

Consequently, site selection and service delivery should remain market led, with DNSPs acting as enablers rather than infrastructure operators.

The CEC also recognises a limited market failure in strategically important regional and remote locations where utilisation may be insufficient to attract private investment despite clear public benefits. In these circumstances, targeted interventions such as viability gap funding may be justified. However, these situations should be viewed as exceptions rather than evidence of a broader market failure across the EV charging sector.

The submission identifies connection processes, network transparency and inconsistent approval arrangements as significant barriers to deployment. The CEC strongly supports reforms that streamline connections, improve access to network capacity information and reduce uncertainty around costs and timelines, as these measures can unlock investment regardless of the funding model adopted.

The CEC broadly supports the emissions reduction modelling presented by the proponent and agrees that the proposed program is likely to contribute positively to EV uptake and emissions reduction objectives. The CEC also notes broader benefits associated with improved consumer confidence, enhanced network planning information, better coordination between stakeholders and increased understanding of charging demand and utilisation patterns.

However, the CEC does not support the routine inclusion of EV charging assets within the Regulated Asset Base (RAB). Public charging infrastructure is a contestable service that does not exhibit the characteristics of a natural monopoly. Broad RAB treatment risks crowding out private investment, reducing competitive pressure and weakening incentives for innovation. Regulated funding should instead be confined to network enabling infrastructure and narrowly defined provider-of-last-resort circumstances.

The CEC supports cost recovery through existing regulatory processes where regulated funding is justified, but emphasises that the more important question is what costs are eligible for recovery. Contributions from electricity consumers must be limited to clearly justified network enablement functions and should not become a mechanism for broad socialisation of EV charging infrastructure costs.

The submission further highlights the importance of aligning decisions on EV charging infrastructure with broader Distribution System Operator (DSO) reforms currently being considered through the National CER Roadmap. The CEC cautions against expanding DNSP ownership of contestable charging assets in advance of these reforms, as doing so risks creating long-term market distortions and inconsistency with future market design.

Looking ahead, the CEC recommends a market-first approach to end-of-life asset management. At the conclusion of an asset's economic life, charging sites should be re-tested through competitive market processes, with ownership transferred to commercial operators wherever viable. DNSP ownership should remain a genuine last-resort option only where a clear and ongoing market failure remains.

Overall, the CEC considers that a well-designed framework should:

- Accelerate charging infrastructure deployment.
- Preserve competition and innovation.
- Support efficient private investment.
- Minimise unnecessary costs for electricity consumers.
- Improve connection and planning processes.
- Enable strategic investment where public benefits justify intervention.
- Maintain consistency with broader electricity market reforms.

In the CEC's view, a "DNSP enabled, CPO delivered" framework best meets these objectives and is most consistent with the National Electricity Objective by promoting efficient investment, protecting consumers, supporting competition and facilitating the infrastructure required to support Australia's transport electrification and emissions reduction goals.

QUESTION 1: PROBLEM STATEMENT

Do you agree with the problem statement as described by the proponent? If not, why?

1. Do you consider there is a "chicken and egg" problem in deploying AC kerbside EV charging infrastructure?

2. Do you agree that there is a market failure for deployment of EV charging in regional and remote blackspots?

3. Do you consider the following DNSP processes and prices to be barriers to efficient EVCI deployment:

- a. connection processes, including timeframes and costs?
- b. site identification processes?
- c. facility access fees?

Response

The CEC can partially agree with the problem statement. Australia's comparatively low EV to public charger ratio relative to many international peers suggests there is an element of a "chicken and egg" challenge, whereby EV uptake can be constrained by the availability of

charging infrastructure, while charging infrastructure investment is in turn dependent on sufficient vehicle demand.

However, we do not consider this challenge can be appropriately characterised as a market failure. Rather, investor hesitation is more accurately understood as a combination of coordination challenges, early-stage market risk, asset stranding risk, planning inefficiencies and uncertainty regarding future demand. These are common characteristics of emerging markets and do not, in themselves, demonstrate an inability of competitive markets to deliver efficient outcomes over time.

This distinction has been recognised across any number of reviews and inquiries into EV charging infrastructure. Most recently, the Victorian Parliament's Inquiry into Electricity Supply for Electric Vehicles found that charging infrastructure remains critical to consumer confidence and EV uptake, but highlighted the need for better coordination, strategic planning and measures that de-risk investment, rather than the replacement of competitive market delivery models. The inquiry concluded that charging infrastructure deployment must be faster, more coordinated and more equitable, while emphasising the importance of coordinated action across governments, industry and network businesses to support efficient investment and accelerate uptake.

In the CEC's view, these findings reinforce that the key challenge is not the absence of willing market participants, but the need to improve the conditions under which investment decisions are made. Policy interventions should therefore focus on reducing coordination barriers, improving information flows, streamlining connection and planning processes, and appropriately allocating risk between market participants, rather than assuming a fundamental failure of the market to deliver charging infrastructure.

Kerbside charging

The CEC agrees that the challenge is particularly acute for households without access to off street parking. For many apartment residents, renters and households in established urban areas, access to convenient charging remains one of the most significant barriers to EV adoption. This was also a key finding of the Victorian Parliament's recent inquiry, which highlighted the need to improve charging access in older suburbs and inner urban areas where private charging options are limited.

However, kerbside charging presents a fundamentally different investment and planning challenge to traditional network infrastructure. The success of a kerbside charging site is influenced by a complex combination of local demand, population density, parking utilisation, consumer behaviour, traffic flows, dwell times, council policies and broader urban design considerations. In practice, this means that identifying suitable locations requires a detailed

understanding of how customers use and interact with the surrounding transport and parking network, rather than simply where network capacity is available.

The CEC therefore considers that kerbside charging deployment should remain fundamentally customer led and market driven. Charge Point Operators (CPOs) are typically best placed to assess customer demand, evaluate utilisation risk and determine which locations are most likely to deliver sustainable charging services over time. Their commercial success depends on attracting and retaining charging customers, creating strong incentives to place infrastructure where it will be valued and used.

By contrast, purely network led approaches are generally designed around the efficient planning and utilisation of electricity infrastructure. While DNSPs possess valuable expertise relating to network capacity, connection requirements and future load forecasts, these capabilities do not necessarily extend to understanding consumer charging preferences, parking behaviour or the commercial viability of individual charging locations. There is a risk that a capacity driven approach could prioritise locations that are efficient from a network perspective but fail to align with customer needs or achieve adequate utilisation rates.

Similarly, where DNSPs are permitted to own or operate charging assets, there is a potential risk that investment decisions become influenced by network asset utilisation objectives rather than customer demand. While this may not be intentional, it can create incentives that diverge from the outcomes that would emerge in a competitive market and may ultimately reduce the efficiency of infrastructure deployment.

For these reasons, the CEC considers that DNSPs should play an important enabling role in facilitating kerbside charging through streamlined connections, provision of network information, strategic planning and infrastructure readiness. However, decisions regarding site selection, ownership and operation should remain primarily the responsibility of competitive market participants that are directly exposed to customer demand and utilisation risk.

This approach is more likely to deliver charging infrastructure in locations where consumers actually require it, while preserving competition, encouraging innovation and minimising the risk of inefficient investment. It also aligns with the Victorian inquiry's broader conclusion that charging infrastructure deployment requires improved coordination and strategic planning across participants, rather than simply expanding the role of network businesses in competitive markets

Regional blackspots

The CEC can agree that there may be a limited market failure in low utilisation but strategically important charging locations. These are sites where the broader public value of

charging infrastructure exceeds the revenue that can reasonably be recovered from users, creating a viability gap that may not be overcome through private investment alone. Examples include regional and remote communities, major highway corridors, freight routes and tourism destinations that are essential for enabling longer distance EV travel but currently experience relatively low charging demand.

The role of these locations extends beyond the direct utilisation of individual charging assets. They provide confidence that drivers can complete journeys, support connectivity across the broader charging network and help reduce range anxiety, all of which are important enablers of EV adoption. While a charger at a metropolitan site may justify investment based on utilisation and revenue alone, many journey enablement sites deliver network wide benefits that are not fully captured through user charges.

In these circumstances, targeted intervention can be justified to address the viability gap. However, support should be limited to strategically important locations where a clear public benefit exists and should be designed to complement, rather than replace, competitive market delivery. The existence of these discrete cases should not be interpreted as evidence of a broader market failure across the EV charging sector, but rather as a specific challenge requiring a proportionate and targeted policy response.

DNSP processes

The CEC agrees that current DNSP processes can present a material barrier to the efficient deployment of EV charging infrastructure. Stakeholders consistently identify lengthy and uncertain connection timeframes, high or unpredictable connection costs, limited visibility of available network capacity, and inconsistent connection and access arrangements across jurisdictions as key challenges. These factors can increase project risk, delay investment decisions and add costs that are ultimately borne by charging providers and consumers.

Importantly, however, the existence of these barriers does not necessarily indicate that DNSPs should take on a broader role in the ownership or operation of charging infrastructure. Rather, it highlights that DNSPs are uniquely positioned to address many of the issues that currently impede deployment. DNSPs have access to network planning information, understand local capacity constraints and connection requirements, and control many of the processes that influence project timelines and costs. Greater transparency regarding network capacity, more streamlined connection pathways, improved forecasting data and more consistent approaches to access and approvals could significantly reduce deployment barriers without requiring DNSPs to enter competitive charging markets.

The CEC therefore supports a strong role for DNSPs in enabling and coordinating charging infrastructure deployment. DNSPs can make a substantial contribution through strategic planning, network readiness, data provision, connection reform and local coordination.

QUESTION 2: EMISSIONS REDUCTION

Do you have any views on the proponent's assessment of the emissions reduction benefits?

Do you agree with the methodology of the proponent's modelling? If not, why?

The CEC broadly agrees with the proponent's modelling assumptions and considers the approach to be reasonable and fit for purpose for assessing the emissions reduction benefits of the proposed program. The modelling focuses on the direct relationship between charging infrastructure deployment, EV uptake and emissions reduction outcomes, which is the central policy objective of the proposal. We note that the proponent has deliberately adopted a relatively conservative methodology, particularly by limiting the assessment to the direct emissions benefits attributable to the charging infrastructure supported by the program.

There are several limitations that should be recognised when interpreting the results. The modelling assumes a relatively consistent relationship between charging infrastructure and EV adoption, based on a benchmark (US and Canada) of approximately 30 EVs per public charger derived from international comparators. While appropriate for a high level assessment, utilisation of charging infrastructure is unlikely to be uniform across locations. Urban kerbside chargers, regional blackspot chargers and strategically located journey enablement sites will experience materially different utilisation patterns and customer behaviour. We agree that regional and remote chargers may generate relatively modest direct charging volumes while still delivering significant network wide benefits by enabling longer distance travel and increasing consumer confidence in EV ownership.

Overall, the CEC considers the modelling to be appropriate for the purposes of assessing the policy rationale for this time limited program. The assumptions are generally reasonable and the methodology is suitably conservative.

QUESTION 3: OTHER BENEFITS:

The CEC agrees that the proposed program has the potential to deliver other benefits beyond the direct emissions reductions identified in the modelling. Some of the most

enduring benefits of the program may arise from the experience gained in coordinating the deployment of charging infrastructure across network businesses, charge point operators, governments and local authorities.

The proposal has the potential to improve network planning and transparency by increasing the availability of information about suitable charging locations, network capacity and connection requirements. It could also give rise to more streamlined and predictable connection processes, helping to reduce one of the key barriers currently identified by charging providers. The rollout could generate additional information about charging demand, utilisation patterns and consumer behaviour across different charging segments, including metropolitan kerbside charging and regional journey enablement infrastructure. These insights could support more informed investment decisions by both network businesses and private market participants in the future.

The CEC also considers there are broader consumer benefits associated with improving access to charging infrastructure, particularly for drivers undertaking longer regional journeys. Improved charging availability can enhance consumer confidence in EV ownership and support the broader electrification of the transport sector.

However, the value of these learnings will depend heavily on how the program is implemented. The greatest long term benefit will arise where the program supports competitive market delivery and helps identify solutions to existing deployment barriers without locking in ownership or operating arrangements that may not be appropriate in a mature market. Similarly, any lessons regarding public funding should help inform where targeted support may be justified in genuinely uneconomic locations, rather than creating an expectation of ongoing intervention across the broader charging market.

The program may also provide useful insights into the interaction between transport policy, energy regulation, construction standards and local government planning frameworks, all of which influence the speed and efficiency of charging infrastructure deployment.

QUESTION 4: CONTRIBUTIONS FROM ALL ELECTRICITY CONSUMERS

Do you consider it appropriate for EVCI projects approved as part of the funding program to have a difference between the total project costs and the amount CPO's are willing to pay funded through a combination of government funding and contributions from all electricity consumers?

Response

We support a limited and targeted role for cost sharing by electricity consumers for the function of network enablement, but do not support it as the default approach. In the CEC view, EV charging is fundamentally a contestable transport service best delivered in a competitive market.

Appropriate use of public and regulated funding

The CEC recognises that there may be circumstances where some level of public funding or regulated cost recovery is justifiable to support the deployment of EV charging infrastructure. This is particularly the case where the benefits of an investment extend beyond the direct users of the charging asset and deliver broader public value. Examples in this instance may include addressing regional charging black spots or funding network enablement works that facilitate future private investment. In these situations, targeted intervention can help overcome barriers that may not otherwise be addressed through market forces alone, including for those with on street parking that cannot charge at home.

The CEC also notes that aspects of the electricity system already operate on a shared cost basis where doing so promotes efficiency and avoids unnecessarily complex cost allocation. For example, standardised connection and network access arrangements can reduce transaction costs and support more efficient infrastructure deployment. Where costs relate to enabling network infrastructure and network readiness, rather than customer initiated capital works cost models, there may be a strong case for a degree of cost sharing across consumers.

However, these considerations should not lead to broad socialisation of the costs associated with EV charging infrastructure. Care should be taken to ensure that any contribution from electricity consumers is supported by a clear public policy rationale and is proportionate to the benefits being delivered. Excessive cost socialisation risks creating cross subsidies from consumers who may receive little direct benefit and weakening investment signals that would otherwise support efficient market outcomes.

Government support can be targeted to areas where it is genuinely needed, while contributions from electricity consumers should be limited to clearly justified and transparent costs associated with enabling deployment. In each case directed toward addressing demonstrated viability gaps or public benefit outcomes that cannot reasonably be captured through user revenues alone.

QUESTION 5: PROPOSED DNSP RECOVERY OF RESIDUAL COSTS

Question 5: Proposed DNSP Recovery of Residual Costs

Do you agree with how the rule change request proposes that residual costs (i.e. net of government funding) for approved EVCI projects be recovered by DNSPs, including the proposals to:

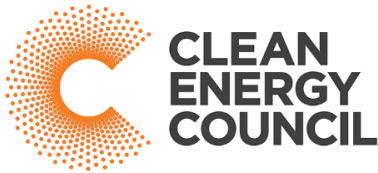
- a) Allow a DNSP's RAB to be adjusted to include capex for approved EVCI projects? If not, why?**
- b) Allow a DNSP's RAB to be adjusted to include opex for approved EVCI projects for the first five years? If not, why?**
- c) Treat any ongoing opex in subsequent regulatory control periods in the same way as opex for standard control services under the NER framework? If not, why?**

The CEC does not support the default inclusion of EV charging infrastructure assets within the Regulated Asset Base (RAB) as standard control services. While we acknowledge the policy objective of accelerating infrastructure deployment, EV charging assets are fundamentally different from traditional network assets. Because public charging infrastructure operates in a competitive market, it can be developed by multiple providers, and it does not exhibit the characteristics of a natural monopoly in the way that poles, wires and substations do. For this reason, the CEC does not consider it appropriate to treat charging infrastructure as a standard regulated network asset by default.

Many stakeholders including the CEC have already raised concerns that broad RAB treatment risks undermining the competitive market that is already developing for EV charging services. Where regulated cost recovery is available for charging assets, private investors may be discouraged from pursuing investment opportunities that they would otherwise be willing to fund. This can crowd out private capital, weaken competitive pressures and reduce incentives for innovation, efficient operation and customer focused service delivery. Over time, this may lead to outcomes that are less efficient and inconsistent with the long term objective of fostering a sustainable and competitive charging sector.

That said, the CEC supports a more targeted approach to regulated cost recovery. There is a reasonable case for RAB funding of network enabling works that facilitate the deployment of charging infrastructure, particularly where those investments improve network readiness, reduce connection costs or unlock future private investment. Examples may include network augmentations, make ready infrastructure, shared connection assets, or other works that have a clear network function and provide benefits beyond a single charging provider.

There may still be limited circumstances where regulated funding of charging assets is justified in circumstances where DNSPs may have a role as a genuine provider of last resort,



subject to clear criteria, transparent justification and regular testing of market interest. But we expect these to be few.

The CEC supports a framework that distinguishes between network enablement and competitive charging services. In our view, a "DNSP enabled, CPO delivered" model remains the most efficient means of supporting deployment while preserving competition and protecting consumers from unnecessary costs.

Proposed Timing for DNSPs Cost Recovery

The CEC considers this to be primarily a question of implementation rather than principle. To the extent that regulated cost recovery is permitted for network enabling works or approved last resort investments, we broadly support recovery occurring through the next regulatory control period rather than through a mid-period reopener.

Recovering costs through the next regulatory determination is generally consistent with established regulatory processes and provides a clear and predictable pathway for cost recovery. It avoids introducing additional complexity into existing determinations and allows costs to be assessed and incorporated through the normal regulatory framework. This approach also provides transparency for consumers and stakeholders regarding the timing and magnitude of any resulting bill impacts.

Given the program is intended to be time limited and relatively modest in scale, there appears to be limited justification for introducing special recovery mechanisms that accelerate cost recovery.

The more important issue remains the nature of the costs being recovered. The CEC's position is that recovery arrangements should be limited to network enabling investments and clearly justified provider of last resort circumstances. Provided this distinction is maintained, recovery through the next regulatory control period represents a reasonable and proportionate implementation mechanism.

QUESTION 7: OTHER CHANGES TO THE NATIONAL ELECTRICITY RULES

Do you agree with the proposals that:

1. EVCI connection works should not be classified as connection services under the NER?

2. Where the restricted asset provisions should not apply?

Response

The CEC supports reforms that reduce unnecessary connection costs, delays and administrative burdens for EV charging infrastructure providers. In principle, we support arrangements that enable more standardised connection processes, bundled connection models and more efficient delivery pathways where these can accelerate deployment and improve customer outcomes. However, any departure from existing connection service arrangements should be accompanied by appropriate safeguards to ensure transparency, consistency and non-discriminatory access for all market participants.

Connection reform should in practice lower barriers to entry and improve efficiency without creating preferential treatment for particular parties or reducing visibility of underlying costs. We recognise that limited exemptions from the restricted asset and ring-fencing provisions may be necessary to facilitate the operation of this discrete time limited program, in particular where DNSPs are performing a clearly defined provider of last resort role or delivering approved activities that would not otherwise proceed. Whilst some flexibility may be warranted to allow the program to operate as intended, any exemptions should be narrowly targeted, proportionate to the objectives of the program and totally confined to the duration of the proposed arrangements.

Accordingly, the CEC considers that strong ring-fencing principles should continue to apply as a core safeguard. The objective should be to address specific deployment barriers rather than create an enduring expansion of DNSP involvement in competitive EV charging markets. Consistent with the broader position of this submission, the CEC supports a framework where DNSPs enable efficient deployment while competitive market participants remain responsible for delivering charging services to consumers

QUESTION 8: ALTERNATIVE SOLUTIONS

Are there alternative solutions for integrating the proponent's funding program in the NER that you think we should consider?

Response

The CEC considers that there is a more balanced approach available that combines the strengths of both network enablement and competitive market delivery. Rather than centering the model around DNSP ownership of charging infrastructure, the framework should be designed around meeting customer preferences and demand, with Charge Point

Operators retaining responsibility for site selection, ownership and operation of charging assets. At the same time, DNSPs will play an important enabling role by helping to remove connection barriers, preparing infrastructure for future deployment and improving visibility of network capacity and hosting opportunities. This approach builds on the complementary strengths of each party while preserving the incentives that drive efficient investment and ongoing innovation in regulated and competitive markets.

DNSPs should ideally focus on areas where they are uniquely placed to add value. That is the provision of network planning information, hosting capacity data, streamlined and standardised connection processes, and to make ready infrastructure where appropriate. These functions directly address many of the barriers already identified by industry and the proponent, including connection timeframes, connection costs and network transparency. Targeted public funding could then be used to address demonstrated viability gaps, particularly in any identified strategically important locations where private investment remains challenging despite a clear public benefit.

Where market delivery is not possible, the CEC accepts a clearly defined provider of last resort role for DNSPs, subject to strict eligibility criteria and regular testing of market interest. Such an approach would enable the scale and speed benefits that come from leveraging DNSP capabilities while preserving the competition, efficiency and customer focus that are best delivered through a market CPO.

By reducing deployment barriers rather than replacing market participants, this model strengthens competition, encourages private investment and innovation, and helps ensure charging infrastructure is deployed where consumers value it most.

QUESTION 9: END OF ASSET LIVES

What do you think should happen with the EVCI assets at the end of the EVCI's life?

Response

The objective at end of asset life should be to preserve competitive neutrality, minimise costs to consumers and avoid creating a pathway to permanent DNSP ownership of EV charging infrastructure.

We recommend:

Market re-testing of sites at end of life

At the expiry of an asset's economic life, the market should be re-tested to determine whether competitive providers are willing and able to deliver charging services at that location. Market conditions, EV uptake, utilisation rates and charging technologies are likely to have changed significantly since the asset was first deployed. Locations that may have required support during an early market development phase may well become commercially viable over time.

Transfer to CPOs where viable

Where a site is commercially viable, ownership and operation should transfer to a CPO or other competitive market participant by unreserved tender.

Competitive operators face market incentives to optimise asset performance, respond to consumer preferences and deploy new technologies. The transfer to competitive ownership therefore supports the long-term development of a sustainable EV charging market while avoiding ongoing reliance on regulated funding.

DNSP continuation/replacement only where markets/gap policy fails

DNSP ownership or replacement should only be considered as a last-resort option where a demonstrated market failure persists and alternative policy mechanisms have proven insufficient to maintain charging services. In these cases, the onus should be on demonstrating why competitive delivery is not feasible rather than assuming continued regulated ownership.

Supporting an enduring competitive market structure

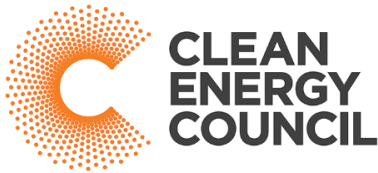
The end of life framework should operate on a "market first," principle: where competition can deliver the service, competition should do so; where competition cannot, targeted intervention may be warranted, but only for as long as the market failure persists. This is the approach most likely to support efficient investment, innovation and fair outcomes for both EV users and electricity consumers more broadly.

QUESTION 10: SUPPLEMENTARY QUESTION

Views on the role of DNSPs in EV charging?

This is perhaps the most important question in the consultation.

Response



Aligning EV Charging Infrastructure Decisions with Distribution System Operator Reform

The CEC's position is that DNSPs should act as facilitators and enablers of kerbside EV charging, rather than as primary owners and operators of charging infrastructure. This reflects an enduring principle of energy market design: monopoly network businesses should focus on efficient network integration and enabling competitive markets, rather than expanding into contestable services where private sector investment can emerge. Where network intervention is ever justified, it should be targeted at addressing genuine market failures through DNSP actions such as connection facilitation, improving network hosting capacity, and data sharing.

This CEC position should also be read in the context of the broader reform of distribution roles and responsibilities currently underway. The AEMC is leading work through the *National CER Roadmap*, and its final advice to Ministers, *Redefining roles and responsibilities for power system and market operations in a high CER future* on how the role of DNSPs should evolve toward that of a Distribution System Operator (DSO). Related reforms, including the AEMC's consultation to the *Integrated Distribution System Planning Rule Change (ERC0410)* will also influence how networks plan for, host and coordinate EV charging and other CER. The CEC believe that decisions about ownership and operation of EV charging infrastructure sit clearly within this broad reform agenda and should not be taken in isolation from it.

For this reason, the CEC's view is that any decision on the ownership and operation of public EV charging infrastructure should be consistent with the DSO outcomes and policy design emerging from the AEMC's work. Pre-empting that design risks entrenching network ownership of contestable assets before the future role of the DSO and the boundary between regulated network functions and competitive services has been settled. Any interim decisions should be confined to "no regrets" measures that align with, and do not foreclose, the direction of DSO reform. This avoids creating pathway dependencies or policy positions now that later prove inconsistent with the agreed DSO framework.

Australian Experience Demonstrates the Risks of Regulated Ownership

A key consideration in this discussion that is often overlooked is that DNSPs are not typically the lowest cost providers of customer facing infrastructure. Australian experience shows that regulated monopoly delivery can result in higher costs and weaker incentives for innovation than competitive markets. Victoria's Advanced Metering Infrastructure (AMI) rollout is a prominent example. The Victorian Auditor-General found that electricity consumers paid an estimated \$2.239 billion for smart metering services, while benefits realisation lagged expectations and consumers ultimately faced a material net cost. The Auditor-General

concluded simply that many of the costs and benefits could not be effectively controlled under the mandated monopoly rollout model.

Similarly, network led technology demonstration projects have not always provided clear evidence that regulated ownership produces the most efficient outcomes. The Smart Grid, Smart City program in NSW ultimately involved around \$490 million of investment and demonstrated the potential value of some network technologies. A key finding however was that the customer centric market model was preferable to a network centric metering model. This finding helped reinforce the distinction between metering as a platform for competitive retail and energy services versus a narrowly network focused asset, and this thinking ultimately informed Australia's move to competitive metering from 2017. The parallels between this distinction and the contemporary EV charging infrastructure discussion give us pause to reflect now on the importance of carefully distinguishing between network functions and competitive services.

Included in this perspective, the CEC's concern is not simply about DNSP participation in kerbside charging trials, but about the incentives that accompany such participation. Many DNSP EV charging pilots can reasonably be viewed as seeking to establish an evidentiary basis for future inclusion of charging assets within the Regulated Asset Base (RAB). Once assets are RAB funded, ownership risks are socialised across all consumers and competitive pressure is reduced. There is therefore a risk that trial programs become a pathway to ongoing regulated ownership rather than a temporary mechanism to unlock a competitive market. This is not in the long-term interests of consumers, and it underscores why any move toward network ownership should await and be consistent with the DSO outcomes described above.

The role of others in kerbside EV charging

While the monopoly network focuses on providing efficient network access, the entity best placed to manage utilisation and technology risk should own the asset. Accordingly, if there is a viability gap, it should be funded transparently through governments, site hosts or the users who benefit from the infrastructure and not through regulated network charges levied on all electricity consumers.

User pays and beneficiary pays funding

The starting principle should be that EV charging is a transport and energy service consumed by EV drivers. Beyond network enablement costs, to the greatest extent possible costs should be recovered through charging revenues, vehicle fees and charges, subscription models or retailer offerings. This maintains efficient investment signals and ensures that users who benefit from the infrastructure contribute fairly to its costs.

Government co-funding for public policy outcomes

Direct government grants are generally more transparent than RAB funding. In areas that are not yet commercially viable such as apartment dense suburbs, remote communities, public access or other disadvantaged areas public subsidy is preferred. Public subsidy is an option that is explicit, accountable, and can be competitively allocated through tenders.

Competitive concession models

A model increasingly used internationally is a competitive concession. Government or councils identify locations and then tender rights to build and operate charging infrastructure. Bidders compete on the subsidy required, with the lowest subsidy winning. This uses competitive pressure to minimise costs while still addressing the viability gap.

Site host contributions

Local governments, council owners and developers may also contribute where kerbside charging delivers local benefits. For example, councils may provide access to charge parking spaces or waive certain fees, while developers can fund charging infrastructure as part of broader development obligations.

Targeted network support rather than ownership

Where the network itself creates the viability challenge, DNSPs could provide limited connection support, make ready infrastructure, hosting capacity upgrades or streamlined connection services. This would reduce costs without requiring DNSPs to own and operate chargers. Their role would remain as an enabler of the market rather than a participant in it.

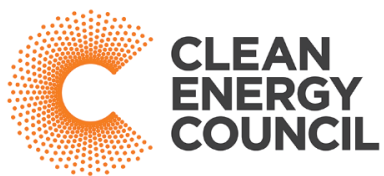
Why Question 10 matters

The critical fairness issue is that RAB funding socialises costs across all electricity consumers is a misrepresentation of fairness. A consumer without a vehicle, an occupier with no access to charging, or a household that does not use public charging would still all contribute through network charges. By contrast, grants, concessions and user pays mechanisms can target the costs of programs more directly to the beneficiaries of the service.

Conclusion

This rule change provides an important opportunity to accelerate EV infrastructure rollout. However, its success depends on maintaining:

- **Efficient investment signals**



- Competitive neutrality
- Consumer protection
- Consistency with the emerging DSO framework, with any interim decisions confined to "no regrets" measures aligned with the direction of AEMC reform

A balanced "DNSP enabled, CPO delivered" approach best achieves these objectives while supporting emissions reduction and longer term market development.

Yours sincerely,

David Markham
Senior Policy Officer

Contact:

Clean Energy Council
Attn: Policy Team – Retail & Distributed Energy
Email: dmarkham@cleanenergycouncil.org.au