Transcript

AER workshop on the CitiPower, Powercor, UnitedEnergy ring-fencing waiver for EV charging infrastructure – DNSPs and its related entities

5 May 2025

This document is a transcription of a workshop held by the AER with distribution network service providers (DNSPs) and their related entities on 5 May 2025, discussing the ring-fencing waiver application by CPU for providing EV charging infrastructure as part of a trial. The focus of the workshop was on market competition, network learnings and benefits, and regulatory considerations.

Introduction

The workshop commenced with AER Board member Lynne Gallagher expressing appreciation for stakeholder participation and outlining the objectives of the consultation, including the importance of gathering diverse perspectives on CPU's proposal for EV charging services. The consultation is open until 13 June 2025, and the AER encourages submissions from stakeholders to inform our decision regarding the waiver application.

Questions for the AER

- **Q**: I just wanted to ask about the intended consultation process with these structured stakeholder sessions. Lynne mentioned there may be an opportunity to have a broader all-in session as well, and that led me to two questions: First, is there a mechanism to ensure that, as we have those structured stakeholder sessions in groups that everybody has a clear base understanding of what the proposal actually is? Is [CPU] for example, presenting to each of those groups about what the nature of that proposal is? Because as you'll be aware from a lot of public commentary in this area, there's a lot of sensitivity around it. A lot of people potentially jumping at shadows about what the proposal isn't versus what it is. And second, once we've had those structured sessions, will we have that all-in session before a whole bunch of people put in submissions?
- **Sara Stark AER:** I think we've relied on the consultation paper to fill that education gap in explaining what the what the proposal is and the components of it. Interested in anyone's thoughts if you think that that hasn't been appropriately

captured. For some of the other stakeholder groups, we can certainly have a look at leaning more into the explanation of what the proposal is and what the proposal isn't necessarily, and I guess given the short timeframe for a decision, we haven't entertained the idea of bringing everyone together. But certainly, we're open to that if following these three separate stakeholder sessions, we think that would be valuable.

- Lynne Gallagher AER: I think what we anticipate is to not do more than the three of these before the submission process. That then gives us an opportunity to digest the various perspectives and the issues. And then if we need to, we can have another session after that, which might be around what we've heard. Everyone's wanting to prosecute the bigger argument through this process, but we've really got to contain it. But it's not because we're trying to suppress discussions. So, we'll have a think about what's the most appropriate way to do that and then divert that conversation off into a forum, where it may not be hosted by us, but by others that actually look at the broader policy context.
- **CPU response:** I think what we've found is, once we released some public view of this, I guess [we've heard] from all facets of the of the industry around what it is and what it isn't. But to Lynne's point, ensuring competition is incredibly important. Not only for the AER, but also for us as well. And I think the key part of the proposal that's been missed is, this increases competition by opening these chargers to many e-MSPs or retailers. So, I think this proposal will increase competition, but I don't necessarily think that's come out in our ring-fencing waiver or if we haven't done that, maybe it hasn't transferred into the consultation pack.
- Stakeholder response: I think a good analogy would be to draw from even though there hasn't been a ring-fencing waiver of this nature – a lot of work went into both of the AER's team, AEMO, AEMC and Ausgrid on the Ausgrid-PlusES sandboxing waiver from earlier this year. That was nearly ten months' worth of work and lots of work by the sandbox team to really try and communicate what that particular waiver was for. We still saw a lack of understanding about why this was not an Ausgrid waiver, it was a PlusES waiver. So, while we don't have a ringfencing one, I think we can use it as an example for how the regulatory framework is potentially getting misconstrued by certain stakeholders with some very vocal public statements and misleading statements that aren't particularly helpful to bring a really constructive narrative forward.

Market insufficiency and coverage gaps

AER: CPU suggests there are coverage gaps for EV chargers where demand is unmet, particularly in regional locations, where competition in the provision of charging infrastructure is limited, the current market is underdeveloped and lacks significant private investment. This implies there are obstacles preventing private investment,

e.g. low scale economies; lack of information to make investment decisions; high transaction costs. The AER is seeking stakeholder views on:

Q1: Do the current dynamics of the markets suggest a thriving and competitive marketplace?

Q2: Do you agree a market insufficiency exists? What are your views on the cause any coverage gaps across 'metropolitan' (i.e. inner city urban areas), suburban and regional Victoria?

Stakeholder quotes:

- Before I can start, I really need to understand what the service is that CPU is trying to provide as the AER understands it- because that comes before the coverage gaps and then it comes to what the AER's understanding of the model that CPU is putting forward. So that comes to what [CPU] was saying earlier - what is the model? What is the service that they are trying to provide for which they might need a waiver? That, for me, is a threshold question. Because if there's no actual service that that CPU is looking to provide here, then the market and coverage gap questions- and the supplementary considerations- starts to fall away.
- Laura Considine AER: I think what CPU's application has been put forward is to install and maintain the EV charging units, but not to operate them directly. So their proposal is to, essentially, lease that out to a third party or a charge point operator who would interact directly with consumers. I think your question might be getting at, is that a service that's currently offered widely? When we talk about a coverage gap here, we're not talking about a coverage gap of 'are there other DNSPs offering chargers for people to rent out?' We're talking about coverage in terms of where are the EV chargers that consumers can access, and specifically about kerbside chargers.
- So from what [CPU] just said before, the offering for kerbside charging under [CPU's] model would be provided by third party operators and multiple third party operators. So when you're asking about the question of coverage gaps here, I think that the model CPU is putting forward is that, they actually are provisioning other services to come in and offer those services and fulfill that coverage gap – they're not actually doing it themselves. They're not providing the customer end service themselves. They're actually allowing other CPOs to come in and step in and provide that model. So I think we need to be really clear here about what the model actually looks like and what is the service that we're actually talking about here.
- Laura Considine AER: That's definitely our understanding of the application, that the intention is not the CPU would operate those chargers. I think what we have heard from industry is that there are third party operators that would prefer to do

that full gamut in terms of installing and owning the infrastructure and operating it as well. That's the kind of challenge that we hear from third parties in that space.

- The first thing in terms of the market, we don't have any other pole mounted • kerbside EV chargers across any of [CPU's] networks. So today there is no market if the definition is as narrow as kerbside. There are none across our three networks. I know there's a few more in Sydney, but if we're talking about our three networks there are none. The people that we have been approached by for trials, of actually a very similar size to ours in that range of 50 to 100, those trials haven't yet come to pass. But they are reliant on government funding to get them up. I think the biggest barrier is the economics of it. The planning issues are big, and to talk to the councils and finding spots where they want you to put these - we don't get to put them where we would like to put them. There's a lot of negotiation with councils and I know because we put the suburbs in our proposal, everyone thinks we already have the locations. We don't have any. They're all subject to ongoing negotiations with councils and that is a big issue, particularly in the inner city, where councils aren't that willing to give up parking spaces. The other thing I would say is a 100 is a small number there. There should be thousands and thousands out there. All we're talking about here is 100. There's a lot of network benefits for us to understand what EV chargers are going to do, what the utilisation is, what the demand profiles are going to be across different spots across our network. And for us the key learning here is to understand that we can make further investments down the track through network planning and hopefully result in options that are a lot cheaper. I know independent charge point operators are going to say there's a thriving market and things like that, but there is zero. We have those numbers, we know what applications we received, it is zero. As we just need to be a bit careful in this discussion - we've had this discussion with the government, and they say there's lots of people who would like to be out there, but today, they're not. And that impacts subsequent markets, which is obviously the electric vehicle market.
- The foundational [barrier] that we get feedback on is around the pole access fees, that seems to be the biggest barrier. I think there's this perception because one DNSP has heavily discounted some access fees in order to get some information around internal trials themselves, that every other DNSP should follow suit and do the same. But I guess what I would say to that is, we are disadvantaging all other customers by doing so. Obviously pole access fees and how the FAA third party access revenue works in terms of who gets the benefit of that. I would suggest that's the biggest one. But other than that, we've had no real feedback on barriers from a private enterprise perspective. I know that they have significant issues with councils. I know they have significant issues in getting local people to install and maintain at a competitive rate. That second and third one is hearsay rather than what I've heard first hand.

- For the two trials that we have been approached for, we've discounted the access fees down to \$750, which is way below what telco's pay for access similarly, others seeking access to our poles have been part of this discounted arrangement, and that was at the request of the Victorian Government, which is trying to make these trials economically viable. They're trying to underwrite some of these trials to help get them up. So while [CPU] has talked about it and I have seen this issue come up in some of the other forums, I think it's important to remember that what's being offered to proponents is heavily discounted. And (even with those discounts), they are still not able to get the trials up.
- Both of those trials I'm fairly sure they're each for 100 sites have received over \$1 million government funding and relied on DNSPs heavily discounting access fees to make them commercially viable. That [kind of model] as a mainstream or ongoing nature of delivery just isn't sustainable unless governments are going to continue to fund kerbside rollout. It's just not a sustainable approach into the future. Not only is it government funded, but it's also competition limiting, government resources are supporting a single charge point operator and a single retailer. Customers don't have any choice around kerbside charging – not only today, but also into the future because it's not open to multiple e-MSPs to utilise publicly funded infrastructure. What we're trying to propose is multiple retailer and e-MSPs that have access to that charging.
- We predominantly service Canberra, and 100% I agree with the points that have been raised—because I work in the standard specifications area. A lot of my concerns relate to how these installations will be connected, and what kind of load profiles will be coming onto the pole-mounted chargers. We have guite a lot of kerbside chargers in Canberra, but we don't have anything like pole-mounted. One thing specific to Canberra that some people may or may not know, is that our overhead network goes into the backyard. So, if you go into suburbs of Canberra, the overhead network goes in the backyards, when it comes out of the backyard there's not much space available especially for installing pole-mounted chargers. Another issue we've seen with kerbside chargers that have already been installed is that, in many cases, they get the supply from us and then they are running their own cables from the point of entry to the chargers. These are private cables, and they're being installed in public land with no information in Dial Before You Dig or anything. It's just a matter of time before something happens and we run into safety or liability issues. I've raised this concern before, and I'm raising it again now. Yes, we're trying to do something here, but we have allowed kerbside chargers with their own cables on public land with no recording of the installation. If it's an underground supply, they come to us, and we conduct a proper network study to understand what load profile will be coming. But with pole-mounted chargers, I'm not even sure if proponents are asking for a fast charger, a single charger, or multiple chargers. We haven't received any applications yet, so we're not sure of what the load profiles will be coming. We also have limited options

available on the pole itself. With underground connections, we have more flexibility—we can bring supply from a nearby location where capacity is available. But if they're asking for a pole-mounted one, we can't bring supply from another pole to this pole. That means, in the background, we may need to upgrade a bigger network to support the installation, which may not be economical.

- If we are talking specifically kerbside, regardless of whether it is pole mounted or non-pole mounted, there's basically none, to be honest. What we do have is traditionally located in car parks, for example shopping centre car parking. There's plenty of that space with dedicated space for EV charging. But in terms of kerbside there isn't anything in Victoria.
- In terms of coverage gaps, in terms of scale and scope the CSIRO predicted that we need around 33,000. So this 100 trial is really just a drop in the ocean and the importance of a trial is that we are able to trial the technical aspects of the kerbside chargers, because if we have proponents that want to come in and rent our poles, we need to understand how this stuff works. And in NSW [our distribution area] has six - that doesn't give you enough data points to be able to roll these out effectively and at scale. And so for trials like this they are so important for the contestable market not only to give them access and confidence that they can provide services, but to give the DNSP confidence too, that the DNSP knows what it's doing because we just can't have thousands and thousands of these things roll up and say, OK, we're ready to install now and we haven't done any testing. So, you need to test at scale. One more point is that the government is offering a lot of money for these things, and the contestable market just hasn't been able to turn up and make it viable for them, even though [government has] been offering up to 80% of the of the capital funding upfront. And so, what [CPU's] saying there about high loads of capital funding with discounted rates from DNSPs and still the contestable market is not showing up - that is a gap and a problem.
- Fact is, there's millions of dollars available through the government [funding] and we've got six [kerbside chargers] in our area in New South Wales, and it's a chicken and egg problem as well. So, we're trying to get EV penetration into some of those regional areas, but they don't want to take it up because of range anxiety and a whole lot of other things.
- Lynne Gallagher AER: I just wanted to put another question on the table as well, because I guess we've been really focusing on the installation, which I think is the right place to start. But I wonder whether any of you have some comments on the cost effectiveness of maintenance of this trial fleet of kerbside chargers? Longer term, how do you see the model or economics for that?
- This is one of the things that we're obviously keen to test as part of this trial. There's one thing distributors are good at, is asset management and we have quite detailed, thorough asset management practices which poles are a key part of. One of the real focuses [of this trial] is that we can provide a service that is more

reliable than the existing ones today. We have a lot of feedback [about] availability, and the existing ones, which is mainly in shopping centers, car parks, etc is quite poor and that adds to range anxiety. We believe that there are economies of scope and scale in the asset management side of this and unashamedly we would be keen to try to bring that to the table. It would obviously help offset some of the cost to our electricity distribution customers, but also assist those who are using our chargers as well. But the size of those economies of scale and scope is part of the 100 trial and we'll learn a lot about that through the process, but that's certainly one of the key learnings we want to get out of it.

- Just to build on the question around what we are observing and what are we hearing, in talking with large AC charging providers from the UK, these are entities that have tried to go out and do the whole end to end gamut - from doing the infrastructure installation to managing the software and the hardware to being the customer interface. These large companies are coming to Australia and seeing how it's playing out much later than it is in other jurisdictions and saying, 'there is just no margin in it'. What ENA has proposed in terms of what's in the 'The Time is Now' report and in the 'Street Smart' report, what they're saying is a really viable option from how they're seeing markets evolve, and markets learning from what's played out in the UK as an example. This is because they say there's just no margins in the end-to-end charge point operator model. Are you really playing to your strengths. So that's either being the person who provides the hardware and is really good about manufacturing that hardware, similar to how a DNSP would purchase an asset management software from a certain provider, or that's something you go to those specialists. Then you have the people who engage with the retailers and engage with the customers and their whole expertise is how they're leveraging their customer expertise and customer interface in terms of the customer offerings. Then you've got the people who provide the infrastructure, and I encourage you to speak to those CPOs who are coming to the Australian market i.e. Chargepost or Connect Kerb. They have written letters of support to energy ministers for the DNSP-led model from their perspective and their experience of what they've seen overseas,
- The UK Parliament introduced a number of new reforms that they're implementing, they did a really extensive review into the EV charging sector.
 And basically had to add all these regulatory band aids such as, you have to offer standardised payment mechanism; you can't lock out customers; you've got to have a certain reliability level. Whether that regulation has caused others to exit the market and requiring Connect Kerb to step up, I don't know.

Consumer benefits and network learnings

AER: CPU indicates they have 'deep economies of scale and scope in the provision of asset management services', so it can deliver EV chargers at lower cost, which benefits end users. This trial will allow CPU to develop insights, gather data and learnings from EV charger deployment. It could be an opportunity to gain insights on CPU's specific processes, as a DNSP, for assessing and identifying where to site EV chargers, and supports network learning and better planning.

Q3: What are your views on the potential benefits that may be gained from CPU's trial, including for network learnings?

Q4: What are your views on CPU's claim that they can provide kerbside EV chargers more cost effectively than other third parties?

Stakeholder quotes:

- I think there's three things for [CPU]. The first being around dynamic control of these chargers and how to utilise them as a load management device, thus avoiding potentially expensive augmentation to facilitate these connections. The ability to ramp them up and down as the network needs also allows us to install them in constrained areas. As load becomes available on the networks, we're able to increase the amount of charging output and as load comes on you can then decrease it. Thus, the dynamic control ultimately avoids network augmentation. The second one is around price sensitivity, incentivising customers to connect their car and draw down the network, particularly on minimum demand days. That's one of the things that we're really trying to figure out here from a network's learning perspective. Thirdly, in terms of costs, the only thing I would say is, I'll take the Victorian Government's funding as an example, a particular third party has received \$1.3 million to install 100 chargers. So that equates to something like \$13,000 a charger for a single port charger. We're looking at somewhere around \$6,000-6,500 to install single port charger on our network. Now, I'm not saying it's true across the board, but certainly if those numbers hold true from the Victorian government perspective in installing 100, anecdotally, I think we can do it much cheaper and much faster.
- Let's just say there's no load on the network and you've got 22 kilowatts worth of drawdown and all of a sudden, that might take you six or seven hours to completely charge your car. And then as network comes on, we ramp it down. That will obviously increase the amount of time that'll take to complete charge your car, but I guess with A/C kerbside charging the traditional method is one of two things. One, you're charging it overnight because you don't have access to off street parking and off street charging. Or two, you're continuously topping up as you go.

Therefore, the small amount of charge is not that much of a problem for you. So those are the two traditional reasons why you would access kerbside charging.

- In terms of consumer benefits, you need to have a look at the difference between an end-to-end model, where you have a CPO come in and not only do they operate the charger, but they also supply and maintain and do the whole thing. You've got the CPO or that retailer captured towards that single pole. Whereas the difference between that and the model [the DNSPs] are looking at is you've got a multi roaming option. And so, it gives consumers lots more choice - instead of one CPO offering, you might have 10 or 15 or however many retailers there are out there. Having multiple offerings actually increases competition and increases consumer benefits and choice.
- What's happening in [our] area, where there are different CPOs/e-MSPs who have leased out space on [our] poles, that one pole is completely locked into that one provider. So if you've got a [CPO] pole, then that's only ever [that CPO's] customers that can access that. If you've got [another CPO/retailer's] pole, then [that CPO] and [that retailer] is the retailer who is the e-mobility service provider retailing to the customers and so it's only [the retailer's] customers who can access those poles. You do have situations where there is layering and on-selling on top of that existing on arrangement. Basically, you pay a premium to be able to roam using your e.g. Chargefox membership, to give you access to more without having to sign up to multiple apps. But what customers are telling [us] is that they're signing on to multiple different apps so they can access multiple different poles depending on what's available. So that's where you're really getting customers locked down to one provider, and they don't really have any choice in who that provider or retail offering is. CPU are trying to create an option where there are multiple providers who are operating and competing for that price point at that pole, creating a greater opportunity for choice for the customers to make the decision – e.g. they like this one because it's bundled with my home account; they like this one because they have a really great dynamic price offering with a dynamic tariff. That means that yes, I pay more if I'm going to charge during a peak time, but I can pay a lot less if I'm going to draw down on that excess solar. You can really meet the customers where they're at and that level of engagement, which you really can't do with the status quo. You look at what [we've] done with the poles under the current framework, [there's] no opportunity to give customers any greater choice than whoever's leased out that pole.
- To the earlier question around some of the network learnings and benefits is completely separate to EV charging - it's a dynamic trial, controlled load tariff that, yes it can be applied to EV charging and to other types of load. That basically says, up to so many times per year the DNSP will advise the retailer the peak price is going to be applied, but other times of the year the price is less and so a lot of e.g. EV charging companies are requesting this particular trial tariff from [this DNSP] because it means they get a really nice rate for most of the year and then at certain

times in the year, a day ahead of time, they get notified that there's going to be a peak pricing event in the network area as notified by AEMO. So then the e-MSP/retailers can inform our customers to say 'hey, customers, please don't charge during this period or note you'll be exposed to higher prices'. So it just really does become a really great way within the existing regulatory framework to use tariffs and dynamic pricing to help manage any impacts on the network - and not only just manage impacts on the network, but actually alleviate them because we're using a very dynamic load which is EVs, which can move anywhere and really need to charge once per week.

- [CPU are] talking to about 15 [CPOs] at the moment, which is quite a big number and I don't even necessarily know that we'll be able to handle 15. But we want the number to be as big as possible. There's a lot of things that go into it from a technical standpoint, but we are talking to a lot. We're even talking to the major petrol service outlets. We're talking to Coles and Woolworths and e-MSPs. There's a whole gamut of people that we're talking to who are really interested in getting into this market because they can see the value stacking from their perspective. It's really attractive to have many retailers or e-MSPs competing for customers business because it will only drive down the cost per kWh that they're taking from the network.
- On the availability factor that can happen with dynamic connections, when we talk about solar connections with dynamic connections, with the trials that have been going on and deployments that are happening in other states, we talk about an availability factor on a normal main grid network of around 95% to almost 100% of availability. It's those very small times in the network when you might be ramped back from 10 kilowatt export on a single phase back to somewhere below that which could go down to 1.5 kilowatts, but with something like an electric vehicle, you can make a decision around what that availability factor might be, whether it's a main grid network or a commercial type network or a rural network. So you can put in as large a charger as you want behind a transformer and make a decision about what times of day you want availability; how much availability there might be. We need to make that very clear to customers, given the area they live in and what works for customers and what might work with regulators. Certainly we've got customers approaching us where they might like a saving and not needing to upgrade their transformer, and they're happy to not have the availability at certain times for those savings using a dynamic connection, because it's a huge saving to not need to upgrade the transformer - to not have it available for two hours a day - because most of the network isn't being used the rest of the time. It's just those small bits of the time, but certainly with an availability factor for solar, it's a couple of days a year. Whereas commercial loads or even a residential load, it might be every day for the two hours that you're wanting to cap that bigger chunk off to save you for the rest of the day and that could be an enormous saving for customers.

- [CPU] don't have the ability to manage dynamic imports. We've got the ability to deal with exports for newly connected solar, but certainly not any imports. So right now if the customer wants to install a 63 amp charger, we assess it basically on them taking 63 amps. When 63 amps is not available for whatever reason, it starts to get very, very expensive or they have to install much smaller devices. Thus giving a poorer customer experience. That's why dynamic control and dynamic management, particularly when we start to get scale, becomes super critical.
- I don't know that the waiver itself is a is around tariffs and that's something that is already being trialled through other elements and areas. So I don't want to speak for CPU or the people here to make a requirement that [the trial] includes tariff learnings and that thing, given the potential for it to be overly burdensome on the trial itself.

Competition impacts and discrimination risks

AER: CPU may crowd-out competition and impact on the financial viability of thirdparty EV chargers. Distribution network businesses also have a dominant position in the market, being owners of network infrastructure and are not subject to certain costs E.g. power leasing fees third parties must pay which DNSPs would not incur

Q5: What do you view as the potential risks to competition from CPU's trial?

Q6: What are your views on CPU's proposed method of selecting EV charging sites based on areas with high EV ownership, and number of units (100 EV chargers)?

Q7: What are your views on the potential for CPU to discriminate against third-party EV charging service providers?

Stakeholder quotes:

I think of Schumpeter's rule on creative destruction for this – that the most
efficient solutions should be the ones that come to the top. I'm going to preface
those remarks also by saying that 100 trial chargers is not going to crowd out the
market. We need thousands and thousands and thousands. What this is about is
testing different models of efficiency, and it's those ones that are most efficient
and that have the most benefits for customers that should rise to the top. I don't
think that we should be protecting a market that has inset inefficiencies in it. Why
would that be in the long term interest of consumers for inefficiencies to be in the
market. So when you talk about if the end to end kind of CPO model where they
supply, install, maintain is not effective and efficient, why should that market be
protected? That's that is a question that I think that we need to answer through
this process and it's through a trial that you'll actually find those sorts of things
out. We have an idea that it might be more efficient, but unless we trial it and then

we slowly do it and we bring it up to scale, we're not actually going to know whether we're more efficient or not.

- CPU is still subject to all the AER's cost allocation guidelines, still subject to fair and reasonable pricing, still subject to Competition and Consumer Act. All of these things put a handbrake on what would be discriminatory behaviour. In terms of access fees, I think that's going to come up in the CPO forum, I would reiterate that the access fees that these trials, that CPOs are receiving, are heavily discounted from what telco companies pay and we should remember its customers who put these poles in there and have paid for them fully. Sometimes that gets forgotten by these companies that customers have fully funded these poles. So if there's some bonus revenue that they can get from them, they should - that gets returned to customers. That not a bad thing. Provided that those access fees are cost reflective, that should be benefiting everyone. Everyone's getting synergies from multiple uses of those poles. The other issue I think you're going to hear a lot about is around liabilities and warranties and in those cases, these people are using the poles can cause damage – they potentially need to take on the responsibility if they do damage that poles because they will interrupt customers reliability supply or they might require a larger pole to be put in that they need to take on those liabilities and warranties. CPU has had one of the trial applicants about to agree to those warranties and liabilities. The same would apply to anybody who is using our poles. It's really important to parallel this with telco companies or pay TV companies who will use distributor poles as well. It's the same story.
- Lynne Gallagher AER: It's often good to run the thought experiment of what would you have to believe for the alternative proposition to be true for it to make sense. For charge point operators to do all the things that you're proposing to do - I think if you run that thought experiment, if your argument is right, the arguments will hold up. So rather than thinking it's a propose and respond from the alternative, I'm inviting you to think about what would you need to believe for the alternative be true or more efficient? Because what I'm hearing is at the moment it requires subsidies, but it may not be forever, and it requires an ability to navigate planning with local councils, because essentially you've got a paired product, you've got the charger and the parking space. They would need to understand how to be responsive to network planning, optimisation and costs. So I'm almost asking you to put the black hat on and think the opposite, to see how robust your arguments are for now, and potentially for all time and that may help us all. What I've heard as well about what's happened in the UK, where perhaps the reality of what was experienced is in fact, this is almost the part of the supply chain - this sliver of it, which is the provision of the charger itself is not something that is evaluated as a money-making opportunity. If anything, it's possibly a cost and it's highly complex, so perhaps as well spend some time thinking about the alternative arguments and what would need to be true for that alternative supply chain end to

end to stand up without subsidies in the long term – for this application, not for all time.

 Around Lynne's point, it's a really good point to raise. And I think you're seeing that come out in the NSW parliamentary inquiry. Submissions were due last Friday. We're seeing that come out in the NSW consumer energy strategy in the NSW government looking into this, and perhaps this is a side discussion we set up between DNSPs and the AER to share those learnings on the broader picture. So that we can really keep the subject matter very specific to the waiver as and how DNSPs respond to the waiver submissions, because there's a lot to this. It just really helps us be really targeted with that feedback.

Waiver conditions (if granted)

AER: CPU may crowd-out competition and impact on the financial viability of third party EV chargers. Distribution network businesses also have a dominant position in the market, being owners of network infrastructure.

Q8: What conditions should be placed on the waiver, if granted, to prevent discrimination or to preserve fair market competition, and maximise the benefits from the trial?

Q9: What data should CPU share as a minimum and are there specific metrics that should be used?

Stakeholder quotes:

- We don't have a big problem with [the conditions], provided that the AER's also conscious of privacy considerations and confidentiality. We will be entering into contracts with specific vendors and obviously it's not common practice to have third parties put all their costing information out into the public arena. The AER was very keen on all the procurement data being laid out in front of the public and I'm just not sure when there's third parties involved that that is the right path. The AER can certainly have access to that, but outside of it we need to be cautious. We also need to be careful around some of the privacy data as well, but provided the AER is alive to those we didn't have a big problem with what's there. We don't want to see much more conditions, as every time one is added it becomes burdensome.
- We'd be very interested in those market testing for e-MSPs providers that want to come on board and what the difficulties might be for attracting as many providers as possible this is something that hasn't been explored by anybody because no one is allowed to do this yet. We'd be interested to understand the barriers for roaming that we need to solve. E.g. we've had 100 application and only 3 came on and we think this is why. I don't know if this is a conditions thing, but there's a knowledge sharing in this that's important for all DNSPs. It's CPU's experience

about signing CPOs onto the roaming platform – what offers they've put out, what are the difficulties. This might help retailers as well.

- On the conditions around performance and uptime they're standard across most providers so we have no dramas with that. There's stuff we are open to giving to the AER that we probably wouldn't give to the open market, mainly because they certainly wouldn't give us access to their private and confidential information. Usage, up time these are very standard, we're very open to making those public. The time taken to connect EV chargers we give that information freely today. I don't know that we would make publicly available on our website. We've given it to the AER, I don't think it's appropriate that we make individual applications available to the broader community.
- Back on Lynne's comment, I think it's a really important comment. The observation that I'd like to make in relation to that is, our DNSPs see this as priming the old fashioned pump. If you get the water pump in the old days, you can pump it all day and you can just pump air. But as soon as you start priming that pump and you fill that thing with water, you get the pressure going and we believe the analogy is good in that DNSP need to prime the pump for this market so that the market can actually get going. Otherwise the market can't get going. That also points to, once you've got the water flow going, what your exit strategy? Re competition for the market for all time— do we want to operate in that market for all time or is there an exit strategy? So we just need to think about those things as well. I don't have the answer for it.
- Further to those early comments on what Lynne was saying, great point on what does that counterfactual view look like. I think there's a lot of fear in the market around why DNSPs want to play here. I think the DNSPs driver really is putting customers at the center in terms of, we know they are electrifying, we know they're buying more EVs, we know the market for non EVs is a closing market. So this is about helping our customers plan for the future in a way where they've got a greater access to consumer protections than which the status guo offers. So this trial sets this up within the regulatory frame to begin with, as opposed to say what we have happening in NSW where it's all happening outside of the regulatory framework – it's all on-selling, you have to start building up a framework around it to the best of your ability. Whereas this way as the AER you're inside the tent from the get go, because you've already got the lever of the DNSPs and the retailers. And it's not all sitting outside in that on-selling arrangement. So from our perspective, yes EVs are great for DNSPs because EVs mean greater utilisation of our networks. It means greater use of electricity. But at the roll out that we're seeing from the competitive market, it's not happening at the rate that benefits our customers. So creating an opportunity to actually say, well, this is going to be happening in a better scale and a better chicken/egg roll out than what you're currently getting from the private players who want it to stay an unregulated market. The consumers don't get the same essential services protections which in

my mind is even more critical because all of a sudden we're having customers who no longer have diversified fuel resources - gas, electricity and petrol. They're removing that diversification and removing that diversification as they go towards our net zero journey, we have to make sure that they are adequately protected in that journey as well. Whether that's through reliability, through cybersecurity, whether that's through any number of consumer protections. That's an important lens that needs to come into being in that transit counterfactual. How can we ensure that if we stay on status quo, what's rolling out in New South Wales, what's our pathway to help get customers those protections and those assurances? Because right now I don't have a clear vision for how it can happen, and I know there's a lot of resistance to that. I also don't know how we do it in a way that doesn't result in having certain providers just fall down, certain e-MSPs and CPO just no longer be able to operate because they're no longer getting those government subsidies, causing others to pick up those sites or not pick up those sites, resulting in an unregulated entity effectively. That's not a great outcome for customers either. I think that whole discussion is really important to look at outside of this trial as a separate conversation.

This seems to be focused on closing out a market or looking at whether there is opening of a market for DNSPs to own and operate on their poles/streetlights. But has there been a survey by the AER on whether or not there is kerbside charging in jurisdictions at all? Are there any reports on this? It sounds like there is in some jurisdictions, but possibly none in others at all. Because from a DNSPs perspective, we look at connections and we just connect. But kerbside charging to us as a DNSP – it would just be on our assets. We wouldn't be concerned about if it's in a car park - what looks like a kerbside charger might be a council car park or, it's on the street but it's slightly off the street.

Lynne Gallagher reflections and closing remarks

Lynne Gallagher thanked everyone for their participation and highlighted key areas discussed during the session. She emphasised the importance of bringing evidence to address the issues discussed, acknowledging the broader context. She invited participants to consider different perspectives and thanked everyone for their involvement and valuable thoughts.

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