

Ms Stephanie Jolly Executive General Manager, Consumer, Policy and Markets Division Australian Energy Regulator GPO Box 520 Melbourne VIC 3001

13 June 2025

Dear Ms Jolly,

Ring-fencing waiver application for an EV charging infrastructure trial from CitiPower, Powercor, and United Energy– consultation paper

ENGIE Australia & New Zealand (ENGIE) welcomes the opportunity to respond to the Australian Energy Regulator (AER) and provide feedback on the ring-fencing waiver application for a kerbside EV charging infrastructure (EVCI) trial proposed by CitiPower, Powercor, and United Energy (collectively referred to as CPU).

The ENGIE Group is a global energy operator in the businesses of electricity, natural gas and energy services. In Australia, ENGIE operates an asset fleet that includes renewables, gas-powered generation, and battery energy storage systems. ENGIE also provides electricity and gas to retail customers across Victoria, South Australia, New South Wales, Queensland, and Western Australia.

On balance, ENGIE does not support CPU's application for a ring-fencing waiver to install and maintain EVCI within its distribution areas. While ENGIE supports efforts to accelerate the deployment of EVCI, ENGIE considers that CPU has not provided sufficient evidence to justify the need for Distributed Network Service Provider (DNSP) intervention in a largely well-functioning and competitive market. ENGIE contends there may be a risk that DNSP-led deployment could inhibit private sector investment or result in EVCI installed in locations that may prioritise network access over consumer demand.

ENGIE's submission to this consultation outlines several reasons why the waiver could lead to risks of discrimination and cross-subsidisation. ENGIE also highlights alternative, non-contestable avenues through which DNSPs may better support the rollout of EVCI without compromising key regulatory safeguards, such as ring-fencing, which have a cornerstone role in providing a level playing field for market participants.

There is a lack of evidence to justify the need for DNSP intervention in the Victorian EV charging market

ENGIE notes that a key factor informing the AER's assessment of CPU's proposed ring-fencing waiver is whether market insufficiency exists in areas with EVCI proposed to be installed.¹ A review of publicly available data suggests that the EV charging market in Victoria is largely functioning as intended, with private sector participants continuing to invest in ECVI to respond to consumer demand.

For example, Victoria has the second-highest number of public EV chargers nationally, trailing only NSW² but when normalised by kilometres of paved road, Victoria has a higher density of EVCI than NSW relative to the state's paved road network.³ The Electric Vehicle Council (EVC) also saw a 90% year-on-year increase in high-power public charging locations across Australia in mid-2024 compared to the same time the year prior.⁴ There are also international examples where a higher level of EVCI penetration has been achieved without the type of DNSP involvement outlined in this ring-fencing waiver.

For these reasons, ENGIE contends that there is not an appropriate level of market failure to justify CPU's intervention to provide EVCI in its distribution zones.

The methodology described by CPU for EVCI site selection is largely opaque, creating uncertainty for market participants

ENGIE is concerned by the lack of methodological nuance underpinning CPU's proposed selection of EVCI locations. The waiver application groups proposed EVCI sites into different suburbs without identifying specific site locations.⁵ This grouping is broadly justified by the assertion that the first 80 chargers will be situated in high-demand areas that account for off-street parking availability and geographic coverage. ENGIE contends that this high-level grouping and reasoning lack the appropriate rigour to determine whether CPU's deployment will avoid duplication with existing or planned commercial EVCI infrastructure or be able to respond effectively to consumer charging behaviour.

ENGIE also notes that the final 20 EVCI locations are yet to be determined. Without an understanding of where all proposed EVCI will be deployed, there is a heightened risk that DNSP-led rollout may occur in areas where commercial players are already operating. This level of uncertainty may risk distorting market signals and undermining competitive neutrality in an existing contestable market.

Assets may become stranded if EVCI are placed in locations that deprioritise consumer demand

ENGIE notes that, given the high-level analysis in determining the EVCI locations, there is the possibility that CPU may prioritise EVCI in locations optimised for ease of network connection, rather than in areas with

¹ Australian Energy Regulator, Ring-fencing waiver application for an EVCI trial from CPU – consultation paper, 2025. Link.

² Electric Vehicle Council, State of Electric Vehicles, 2024. Link.

³ Electric Vehicle Council, State of Electric Vehicles, 2024. Link ; Bureau of Infrastructure and Transport Research Economics, Yearbook 2023: Road – Chapter 6, 2023. Link ; ENGIE Analysis.

⁴ Electric Vehicle Council, State of Electric Vehicles, 2024. Link.

⁵ CPU, Application for a ring-fencing waiver – EVCI, 2024. Link.

demonstrated consumer demand. This approach materially differs from the market-led decisions made by commercial players, who are incentivised to place EVCI in locations based on consumer demand to maximise utilisation. As such, ENGIE contends that this DNSP-led approach may risk inefficient investment and result in potentially stranded assets that do not deliver long-term value to consumers.

DNSPs have more appropriate opportunities to facilitate the uptake of EVCI in Victoria

ENGIE contends that more appropriate avenues exist for CPU to support the uptake of EVCI without directly participating in contestable services. For example, the EVC has called for governments, DNSPs, regulators, and industry to collaboratively develop a nationally consistent, principles-based approach to approving second lines of connection to commercial premises to support high-powered charging.⁶ This recommendation would more closely align with the priorities outlined under the *National Electric Vehicle Strategy* to support more coordinated EVCI deployment.⁷

ENGIE notes that the EVC has also identified the opportunity for DNSPs to establish dedicated teams to process applications for high-powered EV charger connections. Notably, DNSPs in New South Wales, Queensland, and South Australia have taken this step, whereas the EVC has identified that CPU has not.⁸ As such, ENGIE contends that facilitating improved access to the network and streamlining connection processes may be a more appropriate role for CPU, which would better align with its intended responsibilities under the current regulatory framework.

Concluding remarks

ENGIE looks forward to working actively with the AER support efforts to accelerate the deployment of EVCI in Victoria, while also considering the impact of DNSPs on commercial players seeking to deploy EVCI in a largely well-functioning market.

Should you have any queries in relation to this submission, please do not hesitate to contact me by telephone at the submission of the sub

Yours sincerely,



Ronan Cotter Regulatory Advisor

⁶ Electric Vehicle Council, State of Electric Vehicles, 2024. Link.

⁷ DCCEEW, National Electric Vehicles Strategy, 2024. Link.

⁸ Electric Vehicle Council, State of Electric Vehicles, 2024. Link.