6 June 2025

Clare Savage
Chair
Australian Energy Regulator
GPO Box 520
Melbourne
Victoria 3001

Submitted via: AERringfencing@aer.gov.au

Dear Ms Savage,

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

Erne Energy welcomes the opportunity to provide a submission to the AER on CitiPower's, Powercor's and United Energy's (CPU's) ring-fencing waiver to trial deployment and operation of Electric Vehicle (EV) charging infrastructure.

This waiver is part of continuing and persistent attempts by Distribution Network Service Providers (DNSPs) and Energy Networks Australia (ENA) to erode ring-fencing requirements. This worrying trend comes at a time when reforms within the sector are already occurring at pace, placing a significant administrative burden on the Australian Energy Regulator and stakeholders. It would be preferrable to see DNSPs focus on delivering the new reforms rather than weakening ring-fencing requirements to enter competitive markets.

EV charging is currently provided competitively by specialised EV charging infrastructure providers. If there is insufficiency in the provision of EV charging infrastructure (EVCI) in Melbourne and Victoria, and that is not clear, then the requirement to secure the support of multiple parties to deliver EVCI is a complexity to be managed. However, DNSP monopoly behaviour cannot be ruled out as an insurmountable barrier to competitively delivered EVCI.

The roll out of public chargers is complex, involving multiple parties, not least the communities that will host the charger. EVCI requires a collaboration between DNSP, EVCI provider, local government authorities and communities. Additionally, the provision of a charger may become a competitive point of difference for businesses (e.g. supermarkets, hardware stores, shopping malls) and it is too early to determine that only the DNSP can successfully deploy EVCI at scale and at lowest cost in a way that will support EV drivers.

One of the biggest barriers to the successful deployment of competitively led EV chargers are the DNSPs themselves.

While the GM Networks (2019-2021) at ENA, representing electricity distribution and transmission networks, I had meetings with third-party providers of public EV chargers. They listed numerous areas where DNSPs were failing to meet their obligated service requirements:

- Time taken to process connection enquiries
- Time taken to deliver a connection agreement

If the competitive EV charging infrastructure provider could weather the frustrations and delays caused by the DNSP then:

- The cost of obtaining a quote for the connection of an EV charger was high
- The cost of the connection was high (and agreement hard to reach)
- The network tariff on offer was often prohibitive and inflexible

Taken together, trying to deploy EV chargers was a fraught process that could result in prohibitive costs making the business model for operating an EV charger in any given location uneconomic.

Victorian DNSPs, particularly in the Melbourne CBD, were often singled out as being the most uncooperative.

Additionally, while at ENA, I worked with telecommunications providers (via the Powers and Immunities Reference Group, PIRG). The high costs and elongated inflexible process of accessing DNSP poles for telecommunications infrastructure was one of the primary reasons ENA was invited to join the PIRG. Arrangements, including fees, to access DNSP poles remains a significant barrier to the practical deployment of third-party EVCI in locations that are most convenient to EV drivers.

To now have Victorian DNSPs identify that there are insufficient EV chargers to support the uptake of EVs and that only they can resolve this issue, is disingenuous.

CPU are DNSPs, not specialised EVCI providers. Specialist competitive EVCI providers already operate in Victoria and CPU should focus on providing its core regulated distribution services to support these providers deploy EVCI, rather than use its monopoly powers to encroach on a competitive market.

CPU indicates that the trial waiver would deliver multiple benefits and learnings. However, these benefits and learning are entirely possible without the need for a ring-fencing waiver. Key aspects of CPU's proposal identified are set out in the table below and demonstrate that if information asymmetries were resolved by requiring the DNSP to share key network data, competitive EVCI providers could address CPU aims. Additionally, several of the aims could be resolved by CPU expediting the delivery of standard regulated services or partnering with competitive EVCI providers.

CPU Aims	*Only DNSP can do?*	*Waiver needed?*	*Alternative approach*
Filling a public ECVI gap in Victoria	No	No	If gaps are publicly identified, competitive EVCI providers can address
Test the DNSP role in implementing and maintaining public EV charging stations	Yes	No	Already specialist competitive EVCI providers. Not clear why DNSP needs to develop this role.
Expedite the installation of EVCI	Partially	No	DNSP must expedite regulated processes for competitive EVCI providers. Does not resolve other non-DNSP blockers.
Gathering data and practical experience to inform EVCI deployment	No	No	Partner with competitive EVCI provider to collect & share data (publicly share)
Data on constraints, utilisation and quality of supply	Yes	No	DNSP must share this data publicly to inform competitive EVCI providers
Data on the impact of EVCI charging on local demand	Partially	No	Partner with competitive EVCI provider to collect & share data (publicly share)
Price responsiveness of EV charging demand	Partially	No	Partner with competitive EVCI providers to test DNSP tariffs (publicly share results)
Data to support demand forecasting	Partially	No	Partner with competitive EVCI provider to collect & share data (publicly share)
Data to support processes for EVCI connections	Yes	No	DNSP should already have BaU connection best practice for competitive EVCI providers
Assess user pays model for EVCI	No	No	Model already possible, not clear why DNSP needs to develop.
Assess approaches to select and engage EVCI installation partners	No	No	Not clear why DNSP needs this role. Perhaps a role for Government (state & local)
Test that high EV registration identifies high use public charging sites	No	No	Access to DER register EV data & EVCI provider data could test this hypothesis

Some of the proposed learning, such as price responsiveness to network tariffs, charging behaviour, impact on demand and network constraints have already been examined[1] and it is not clear why further work is needed by CPU and why that work requires a waiver.

[1] https://businessnewsroom.deakin.edu.au/news/2022/05/deakin-electric-vehicle-ev-challenge-2022/; https://c4net.com.au/projects/data-driven-electric-vehicle-customer-profiling/; https://electrical.eng.unimelb.edu.au/power-energy/projects/completed-projects/ev-integration#resources; https://www.racefor2030.com.au/race-for-evs/; https://arena.gov.au/projects/intellihub-street-power-pole-ev-charger-with-grid-integration/

The AER summarises the key issues to be addressed on page 1 of the consultation paper[2]:

"... DNSPs will increasingly become not only infrastructure providers but also platforms for energy services, including CER. [1] This involves providing third parties access to network infrastructure to deliver CER services and investing efficiently to facilitate these connections and loads. [2] The regulatory framework contains several mechanisms to ensure that DNSPs are not able to use their significant market power as monopoly infrastructure service providers to harm competition in the market for these contestable services ... Ring-fencing is one such mechanism."

Point 1 is what the DNSPs have not been doing and they are now seeking to obviate the mechanisms (point 2) that would prevent them from profiting their earlier non-provision of services (point 1).

Accelerating the roll out of EVCI and at lower cost can only be possible through CPU leveraging its monopoly roles:

- Only the DNSP knows where on their distribution network EVCI can or can't be accommodated in terms of constraints (information asymmetry)
- Preferential access to its own poles
- Preferential connection processing
- Preferential connection fees
- Preferential network tariffs

If CPU is granted a waiver this would erode the market for competitively provided EVCI, particularly in siting constrained locations such as CBDs and suburban sites. The 100 CPU EV chargers will effectively "block" the deployment of EV chargers by other competitive providers in the immediate and surrounding areas.

There is no need for a DNSP to make even a small-scale "foray" in the competitive EVCI market. If CPU genuinely wants to support the deployment of EVCI, then the DNSPs would publicly share a network map that identifies where various types (e.g. fast, ultra-fast) of EV chargers can currently be accommodated without needing network reinforcement. Additionally, CPU is currently trialling flexibility services[3] and it would seem beneficial to incorporate a provider of EVCI in this trial. This would provide genuinely useful learnings on managing public EV charging in a way that maximises utilisation of current network assets.

In summary the benefits that CPU identifies from the trial could equally be achieved by CPU properly providing its regulated services to competitive providers of EVCI and as such, a waiver from ring-fencing requirements is not merited.

Many thanks for the opportunity to provide a submission to the Application. Please contact me if you need further information.

Yours Sincerely

[redacted]

Dr. Jill Cainey MBE

[2] https://www.aer.gov.au/system/files/2025-04/AER%20-%20Ring-fencing%20consultation%20paper%20-%20CPU%20EV%20charging%20infrastructure.pdf

[3] https://www.powercor.com.au/network-planning-and-projects/non-network-opportunities/