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Evie Networks Response to AER Consultation

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

Evie Networks | 13 June 2025

About Evie Networks

Evie Networks is Australia's largest owner-operator of public direct-current (DC) fast EV charging infrastructure. Since our establishment in 2018 we have built a national network of more than **300** charging stations and **800** bays of charging, including over **100** sites across Victoria, with **60** of them serving intercity corridors and regional areas. Over the past twelve months alone our national network has delivered approximately **20 GWh** to drivers, enabling about **120 million kilometres** of zero tail-pipe emission travel for drivers of passenger cars, light commercials and an emerging cohort of battery-electric trucks.

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1. Executive Summary

Evie Networks supports competitive, privately financed charging as the fastest and cheapest path to Australia's EV-uptake goals. CitiPower, Powercor and United Energy's (CPU) application seeks a **six-and-a-half-year waiver of the Ring-fencing Guideline so the DNSP can own 100 pole-mounted AC chargers**–a proposal that would hand a regulated monopoly permanent cost and data advantages no competitor can match.

Regulatory context. The current regulatory pathway of this application supports the conclusion that CPU's trial is not genuinely innovative or experimental. Under **rules 8.15–8.16 NER** and *Clause 2 of the AER Trial Projects Guideline*, "*Unless* a proposed trial project meets eligibility requirements and the innovative trial principles... a [ring fencing waiver] *may* be considered under the AER's Ring-fencing Guidelines...". Evie submits that the AER must first ask whether CPU's rollout is an *eligible trial*. If *yes*, the appropriate course is to invite CPU to relodge this application as a sandbox **trial-waiver** with the mandatory consumer-protection and data-sharing conditions associated. If *no*, it must follow that the conclusion that the project does not meet the eligibility requirements and innovative trial principles, is prima-facie evidence that the project lacks innovation and learning value–tilting the balance decisively against a stand-alone waiver under **cl 5.3.2(a) Ring-fencing Guideline**. Based on the stated and shifting objectives of the trial, Evie's strong view is that the trial is not innovative. The main underlying objective is clearly to relax ring-fencing rules which itself is not innovative. Instead of competing with its customers, CPU can instead achieve all of its stated objectives by working with its customers.

Commercial context. The NSW Parliamentary Inquiry into EV infrastructure received 86 public submissions: every stakeholder group except DNSPs opposed relaxing ring-fencing and instead called for tariff reform and faster grid connections. International experience shows nine of the ten leading EV nations rely on competitive public-private models, not state-owned networks, the exception being China.

Negative impact for competition and consumers. Our response to the AER Consultation Areas demonstrates clearly that any relaxation of ring-fencing, even for so-called trial, will have a significant, long term impact on competition and consumers.

Outcome sought. CPU's proposal fails all four limbs of cl 5.3.2(a): no demonstrated consumer benefit, high risk of cross-subsidy, structural discrimination, and disproportionate scope. The AER should therefore **refuse the waiver in full** and reiterate that any genuine DNSP experiment must proceed through the sandbox regime with level-playing-field safeguards intact.

2. Regulatory context

CPU's application is put forward as an application for the waiver of the Ring Fencing Guideline. Evie submits that the correct starting point is to ask if this application is properly a trial within the meaning of the AER Trial Project Guidelines. If it is, the appropriate course is for the AER to invite CPU to relodge its application accordingly. If it is not, it is *prima facie* evidence, that the project demonstrates a lack of innovation and learning value, tipping the balance **against** a stand-alone waiver under **cl 5.3.2(a)(iii) of the** *Ring-fencing Guideline (Electricity Distribution).*

2.1 The correct starting point is the AER Trial Project Guidelines not the AER Ring Fencing Guideline

Under **rules 8.15–8.16 of the *National Electricity Rules* (NER)**, the Australian Energy Regulator (AER) may grant a single *trial-waiver* in accordance with its **Regulatory Sandboxing — Trial Projects Guidelines**. *Clause 2* of those Guidelines establishes a clear hierarchy: "*Unless* a proposed trial project meets eligibility requirements and the innovative trial principles… a [ring fencing waiver] *may* be considered under the AER's Ring-fencing Guidelines…".[1]

The Guidelines import the innovative-trial principles codified in **s 18ZL(2) of the *National Electricity Law* (NEL)**, requiring that a trial be genuinely novel, time-limited, otherwise impossible under the existing rules, and designed to deliver market learning while safeguarding consumers.[2] The Ministers' policy intent is spelt out in the Guidelines' **Explanatory Statement**, which says the sandbox lets innovators test pilots "*in a controlled setting … so that evidence can inform permanent rule changes.*"[3]

If the proposed trial project meets these criteria, the appropriate course is to invite CPU to relodge its application. The importance of which is that the sandbox framework imports a range of carefully considered legislative protections including additional mandatory consumer-protection conditions captured in the requirements of the Essential Services Commission of Victoria's trial project guidelines developed under clause 63 of the *Victorian Electricity Industry Act 2000*.

2.2 CPUs application: innovation that can be carried out without a waiver, or a waiver where the risks grossly outweigh the benefits

If CPU's application does not meet these Trial Project Guideline criteria, that conclusion demonstrates a lack of innovation and learning value, tipping the balance **against** a stand-alone waiver under **cl 5.3.2(a)(iii) of the *Ring-fencing Guideline (Electricity Distribution)***, which directs the AER to refuse relief where consumer benefits are outweighed by competition and compliance costs.[4]

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[1] Trial Projects Guidelines, January 2023, **§1.1.1** (made under r 8.15 NER) and **§2 "Relationship with other regulatory instruments"**, lines 21-23 (hierarchy statement).
[2] Trial Projects Guidelines, **§4.2**, lines 35-41, linking the sandbox gate to the innovative-trial principles in s 18ZL(2) NEL.
[3] Trial Projects Guidelines – *Explanatory Statement*, Introduction, p. 4, lines 10-11 ("controlled setting" purpose).
[4] Ring-fencing Guideline (Electricity Distribution) v4, **cl 5.3.2(a)(iii)**, lines 93-94 (consumer-benefit test).

It is striking that when pressed on the alleged learning objectives in the AER's consultation workshops, CPU's representative conceded:[5]

> *"Yep, you've taken what the crux of our trial is about. This operating model is largely supplementary to what we're trying to test here. What we actually want to test is utilising chargers for demand management responses of which one is utilisation of solar soaking, but also the ability to encourage customers on days of minimum demand to come and draw down on the network. And that is largely tariff and price driven. So that's the crux of the trial. The actual multiple e-MSPs leasing these chargers out or giving access to e-MSPs to the chargers was largely supplementary to what we actually want to test."*

As will be canvassed later, this learning objective can be achieved without this trial and waiver, including directly with CPOs such as Evie Networks. Indeed Evie is ready, willing and able to leverage its fleet of over 300 chargers, and volume of over 20GWh of energy delivered, to provide a much richer real world learning environment.

On its own application and workshop contributions, CPU's trial is either a narrow innovation trial which would fail the requirement to otherwise be impossible to complete without a waiver, or it is absolutely not innovative and therefore represents a gross relaxation of the ring fencing guideline with severe risks of discriminatory practice and long term consumer harm, inconsistent with the National Electricity Objective. In light of the broader commercial context disclosed below, Evie submits the only conclusion is that this trial is about achieving a gradual and scaled relaxation of ring fencing and as such should be refused.

3. Commercial context

The recent NSW Parliamentary Inquiry into *Infrastructure for electric and alternative energy source vehicles in NSW* (NSW Freight Inquiry) provides extensive evidence relevant to the questions of fact posed by the AER in its consultation paper.

3.1 The Inquiry submissions show that DNSPs are a lone and isolated voice in support of modification to ring fencing

The Inquiry received **93** submissions from industry, private experts, policy think tanks, local governments, consumer groups, motoring associations, car manufacturers, energy retailers amongst others. An analysis of the **86** publicly available submissions shows a stark picture:

- DNSPs are a lone and isolated voice in support of the broader proposal to modify ring-fencing rules at large.
- In contrast, there is almost uniform and strong support around the issues of *tariff reform*, *tackling grid barriers* such as connection times and costs.

[5] Transcript of the AER workshop on the CitiPower, Powercor, UnitedEnergy ring-fencing waiver for EV charging infrastructure – government, consumers and consumer interest groups – 8 May 2025.

Figure 1 – an analysis of the policy positions put to the NSW Freight Inquiry

3.3 Grid connections, local council coordination and a lack of tariff reform are the key blockers to a thriving competitive market

At a local level, there is clear feedback from industry and local governments that the current blockers to successful deployment are:

- **Local area planning**: EV charging rollouts that ignore local government strategy, driver charging needs and community amenity result in very low utilisation.
- **Grid connection delays and cost**: Charge Point Operators (CPOs) face unpredictable timeframes and high-cost network connections relative to network connection size.
- **Incompatible network tariffs**: Network tariffs that include blunt Demand / Capacity charges are high cost and unsustainable for CPOs. They ignore the substantial benefit that EV charging can bring to the grid and the dynamic controllability of EV charging infrastructure.

This is strongly aligned with the evidence from the AER's consultation workshop transcripts on this application.

3.4 The global evidence suggests that a market-led co-funding model outperforms centrally planned state driven EV infrastructure policy

- Of the ten countries leading EV uptake, 9 predominantly use **private–public–partnership** models to achieve scaled charging roll outs, rather than state owned infrastructure. The only exception is China.
- In Japan and Korea **centrally planned** directives under a "build it and they will come" approach resulted in **overspending, stranded chargers,** and **low EV adoption** relative to investment. CPU referred to Korea as an example of network-led rollout. Clearly it has not been successful.

EV Adoption & Charger Infrastructure by Country

	Top 10 countries by EV adoption										Other cases		
Region	**NOR**	**ICE**	**DEN**	**SWE**	**NLD**	**BEL**	**FIN**	**CHN**	**SWI**	**UK**	**KOR**	**JPN**	**AUS**
% EVs	**29%**	18%	11%	11%	8.3%	8.2%	8.1%	7.6%	5.8%	5%	2.4%	0.8%	1.2%
% sales	**93%**	71%	46%	60%	35%	41%	54%	38%	30%	24%	7.9%	3.6%	12%
Chargers	1:33	1:28	1:18	1:16	1:5	1:11	1:19	1:8	1:17	1:30	1:3	1:17	1:66
Policy	PPP-driven; public grants & private ops; partial state involvement; no regulated monopoly	Early public buildout; now mostly private w/ govt co-funding for rural areas	Incentives for private market; targeted subsidies fill gaps	Govt grants catalyze private deployment; no state monopoly	City-driven PPPs; tender to private ops; some direct public ownership	Regional PPP concessions; no national monopoly; municipal partnerships	Modest govt support + EU funds; private-led competitive market	Hybrid central planning; state utilities + private ops; competitive subsidies	Market-driven with PPP coordination by federal govt	Market-led; govt grants & regulation; no state monopoly	Shifting from state-led to PPPs; growing private role; centrally planned	Subsidy-driven collaboration; auto, local govs & private ops	Initial company investment with private operators

Centrally planned approach

Figure 1 - Comparison of EV adoption and charger deployment by region. Sources: IEA Global EV Data 2024 (data series ends 2023).

3.5 Two leading programs from the Netherlands and United Kingdom demonstrate market-led approaches that deliver superior outcomes to a waiver of fundamental ring fencing rules

Both frameworks channel public money into de-risking demand signals and local planning capacity, while leaving capital deployment and customer proposition to competitive Charge Point Operators (CPOs). They have produced dense networks, fast delivery and scaled up private-investment multiples–outcomes Australia can replicate by keeping DNSPs in an enabling, not owning, role.

	Netherlands	United Kingdom
Key programs	National Agenda for Charging Infrastructure (NAL) regional concessions	• On-Street Residential Charge-point Scheme (ORCS) 2017-24 • Local EV Infrastructure (LEVI) Fund 2023-30
Scale delivered	**~175,000** installations nationally	**~75,000** installations nationally, of this LEVI + ORCS: ~10k delivered, ~29k contracted.
Who pays?	**Today:** 100% private capex. **Historically:** ~30-50% public subsidy.	**Today:** Up to 40% public capex. **Historically:** up to 75% public capex.
Roles	Municipality awards concession; charge point operator finances, connects, installs, operates; Network only approves technical connection (no asset ownership).	Local authority plans sites, tenders long-term contract; Charge point operator finances & operates; Network provides connection under regulated timelines
Trigger and planning tools	Statutory right-to-charge - any EV owner without a driveway can request a charging post. Responsible CPO must site within 300m of residence.	Triggered by local council tender processes. Planned through the NEVIS data platform - aggregation of demand, grid capacity, charger density information to capability officers who rank need.
Grid service level	Grid operator screens sites but does not own assets. Connection deadlines baked into overall concessional contract to CPO - typically 12 weeks.	Grid operators screen sites but do not own assets. Regulations require grid operators to assess low voltage sites ≤15 working days with compensation to CPOs for delays.
Key policy innovation	Demand signal locked in up-front; concession bundles grid connections, on-street permits and utilisation guarantees, letting CPOs finance at low risk.	Separates capability funding (policy, traffic order, community engagement staff) from capital grants, accelerating councils that previously had no in-house expertise.
Equity wins	No regressive cross-subsidy. Captures renters. Equal access for all drivers of need.	Capability grants create jobs and capacity within local councils, including remote / small. Planning criteria specifically targets households with no driveways.
Policy take-away	Pass a Right-to-Charge & bundle multi-council concessions. Keep DNSPs as facilitators, not owners.	Replicate LEVI's capability granting and shared data platform model. Establish a mandatory guaranteed connection time for low voltage sites.

3.6 There are four pillars of true innovation and collaboration required to unblock the EV charging market

- **A clear data driven target for charging infrastructure** - this should be an overarching state level target, and also broken down by local government area. The target should include different types of charging infrastructure by area, referencing local demand and international benchmarks.
- **Co-funding over 5 years, emphasising support for critical charging infrastructure in regional corridors and black spots where commercial rollouts are less viable.** At least 10% of this should be allocated to funding EV program capabilities at a local council level, and in enabling transparent and live data sharing against critical infrastructure planning data such as grid capacity to street level.
- **A streamlined application process for EV charging grid connections** - with a focus on open access at the network planning level to drive network utilisation, provide SLAs for connection assessments and capped costs for installations under 300kW, with standardised technical requirements across networks.
- **Network tariffs designed to support smart equipment, to enable the full positive grid benefits from well controlled EV charging**. Building on Ausgrid's EA964 trial tariff, this should include energy-only charges for new sites; time-of-use rates with solar soak incentives; load control incentives during critical events and should be available for both low and high utilisation sites.

Evie stands ready to partner with CPU on all of these fronts and would enthusiastically pursue funding, partnerships and collaborations, including with ARENA to support and contribute to CPU's advancement of tariff and connection processes which enable scaled EV infrastructure that benefits the grid and the community.

4. Regulatory assessment and response to the AER consultation areas

Evie submits that CitiPower's waiver fails every limb of clause 5.3.2(a) of the *Electricity Distribution Ring-fencing Guideline* (v4, 2025). That clause obliges the Australian Energy Regulator (AER) to refuse a waiver unless the proposal demonstrably advances the National Electricity Objective, avoids cross-subsidy or discrimination, and delivers net consumer benefit commensurate with its scope and duration. This is only reinforced when properly considered alongside of the relevant Trial Projects Guideline principles.

4.1 Summary table of regulatory analysis

Additional duties under the Victorian Essential Services Commission's sandboxing guideline are noted but not addressed here.

Ring-fencing Guideline – cl 5.3.2(a)	Relevant Trial Projects Guideline – innovative-trial principles	Assessment
(i) Long-term interests of consumers	**Contribute to regulatory and industry experience**: Trials must provide meaningful insights into regulatory and cperational improvements that benefit all stakeholders (*Trial Guidelines*, Section 4.2(a)(i)). **Protect consumers**: Trials must maintain adequate consumer protections, mitigating risks to all parties involved (*Trial Guidelines*, Section 4.2(a)(viii)).	The trial does not provide any meaningful insights that are not available for testing in market today. Changes to ring-fencing will severely undermine the very framework that is designed to preserve competition and protect consumers.
(ii) No cross-subsidy or discrimination	**Promote competitive neutrality**: Trials must avoid distorting competition or creating an uneven playing field (*Trial Guidelines*, Section 4.2(a)(xii)).	CPU will not be able to avoid cross-subsidisation and discrimination. For example, it will charge customers for facilities access where it does not incur the cost itself. This will create an uneven playing field, while requiring consumers to forego facilities access revenue. Already today CPOs are faced with extraordinary charges for connections and long wait times. It is difficult to see how CPU would deploy efficiently if not prioritising its own services.
(iii) Net benefit exceeds compliance cost	**share knowledge developed**: A trial should provide for public sharing of knowledge, information, and data resulting from the trial project (*Trial Guidelines*, Section 4.2(a)(xvi)).	The net cost of any trial that waives ring-fencing rules will far outweigh any benefits, which can be otherwise achieved anyway without changes to ring-fencing.
(iv) Scope, duration and conditions proportionate	**Be appropriately scoped**: Trials are appropriate for projects that are beyond initial research and development and not commercial rollouts (*Trial Guidelines*, Section 4.2(a)(x)).	CPU objectives include "testing new technology" without any definition. Clearly the technology is not available yet. Conversely, customers are ready to work with CPU with a range of established technology to achieve their objectives.

4.2 Consultation areas response summary

AER consultation area	Summary
The nature of market insufficiency	
Question 1: Do the current dynamics of the markets suggest a thriving and competitive marketplace?	The best characterisation of the current market is **nascent** (<2% of all cars are EVs) and **competitive**.
Question 2: Do you agree a market insufficiency exists? What are your views on the cause of any coverage gaps across 'metropolitan' (i.e. inner city urban areas), suburban and regional Victoria?	**No market insufficiency exists.** Multiple suppliers are ready to deploy. Real barriers are: connection delays/costs, incompatible network tariffs, and local coordination failures - not ring-fencing.
Potential customer benefits	
Question 3: What are your views on the potential benefits that may be gained from CPU's trial, including for network learnings?	**No benefits compared to working with customers.** CPU admits ownership is "supplementary" to testing tariffs. They could partner with existing CPOs today without any waiver.
Question 4: What are your views on CPU's claim that they can provide kerbside EV chargers more cost-effectively than other third parties?	**Unverifiable and based on unfair advantages.** CPU refuses to explain $6,500 cost claim. Structural advantages include avoiding FAA charges while charging customers for access (discrimination). With CPOs today facing extraordinary charges for connections and long wait times, it is difficult to see how CPU can possible achieve its efficiency, cost and timeframe claims, if it is not cross-subsidising or discriminating in favour of its own services.
Competition impacts on the kerbside market	
Question 5: What do you view as the potential risks to competition from CPU's proposed trial?	**Severe competition risks:** CPU becomes gatekeeper and competitor; structural cost advantages; investment chill; discrimination potential; cross-subsidy through RAB.
Question 6: 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)?	**Not a trial but commercial deployment.** 100 chargers over 6.5 years creates permanent infrastructure ownership that will be difficult to reverse.
Question 7: What are your views on the depth of the market for kerbside AC EVCI?	**Market is competitive and ready.** Local councils confirm "multiple suppliers already coming to us" with operators "really keen and ready to get installing."

AER consultation area	Summary
Discrimination	
Question 8: What are your views on the potential for CPU to discriminate against third-party EV charging service providers?	**High discrimination risk.** Charging customers for facilities access without charging itself, is clearly discrimination. With CPU charging customers $20k just to provide a quote, and connection processes extending into months and years, there is high risk that CPU will have to discriminate to achieve its stated objectives. Planning a network rollout based on privileged and exclusive information, and reserving capacity, will result in customers being forced to pay more for augmentations. CPU controls Victorian Service Installation Rules - inherent conflict of interest.
Waiver conditions if granted - *No conditions would be adequate. Waiver should be refused entirely.*	

5. Detailed response to AER consultation areas

5.1 "The nature of market insufficiency"

Question 1: *Do the current dynamics of the markets suggest a thriving and competitive marketplace?*

Private pole-mounted programs funded by ARENA (Intellihub, EVX) and commercial kerb-side grants in NSW and Victoria indicate a functioning market.[6] The Victorian Government has already invested $1.3 million to fund a private operator to install 100 chargers, directly contradicting CPU's market failure claim.[7]

Yarra City Council described CPU's market-failure claim as "disappointing", noting "multiple private operators trying to enter the pole top charging market in Victoria" with at least two operators "really keen and ready to get installing" who "are over the hump of whatever the barriers were with Citipower".[7]

DNSPs present the greatest impediment to the rollout of EV charging infrastructure today, with the major barriers being unpredictable and high cost connections, and unsustainable tariffs. These barriers are most acute in Victoria, where connection times and cost are often higher than in other states.

[6] AER, 'Consultation paper: Ring-fencing waiver application for an EV charging infrastructure trial from CitiPower, Powercor, and United Energy' (April 2025), 12.
[7] AER, 'Transcript – government, consumers' (8 May 2025), 12.

If DNSPs were to focus on addressing the current barriers to deployment, instead of competing with their customers, there would most certainly be a thriving and competitive market.

Question 2: *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?*

With support from the Victoria Government and Local Councils, Evie Networks has deployed over 100 public fast charging stations in Victoria. More than half of these are in regional towns, offering drivers a 30-60 minute top-up while they rest and recharge. We have deployed our fast charging infrastructure in metropolitan and regional areas over a number of years and we are very aware of the challenges to deploying EV charging infrastructure in Victoria, as well as what is required to build infrastructure that is commercially viable.

If we apply the market sufficiency test to NSW, where pole-mounted programs have been successful and more rapid, we see that charger rollout has been in line with EV uptake.

- **Charger head-count.** As of 14 February 2025, the NSW government recorded 3,200 public charging plugs in NSW.[8]

- **Benchmark comparison.** European planners target ≈ 1 public charger to 15 EVs[9] to prevent queueing; NSW today sits at ~1 to 25.[10] An appropriate ratio for NSW is likely to be lower than European cities, given NSW has greater access to off-street parking and is in an earlier stage of EV adoption than Europe.

- **Charging designed for driver needs.** Evie's principle is that there are many different driver segments with many different charging use cases, and EVCI deployments are already designed to match natural driver behaviours. The bulk of pole-mounted charging has been deployed in metropolitan areas where there is a lack of off-street parking. There is significantly lesser need for pole-mounted charging in outer suburban and regional areas where most drivers will have access to off-street parking. In all situations pole-mounted charging is complemented with public fast charging to cover the full range of driver needs and behaviours.

Demand for public charging will evolve over time, so it is important that any rollout tracks the real demand from drivers, to ensure effective deployment and avoid over-investment. It follows that operators of charging infrastructure need to have appropriate incentives to deploy capital efficiently, and that guaranteed returns through the Regulated Asset Base, as proposed by DNSPs, do not achieve this requirement.

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[8] NSW Climate and Energy Action (NSW Government) – *"The NSW public electric vehicle charging network"* (updated Feb 2025, accessed 29 April 2025).
[9] Article 3(1)(a) of Regulation (EU) 2023/1804 on the deployment of alternative fuels infrastructure (AFIR) requires each EU Member State to ensure that its public network provides "at least 1.3 kW of publicly accessible recharging power for every battery-electric light-duty vehicle registered on its territory." Assuming an average output of ~20 kW (the midpoint of common 11–22 kW AC units and lower-power DC posts), the AFIR rule translates into a practical planning benchmark of ~1:15.
[10] Ratio derived from 3,200 public charging plugs in NSW (see footnote 11) and 80,171 registered battery-electric vehicles (Transport for NSW, *Registered Vehicles by Fuel Type*, snapshot April 2025), giving ≈ 1 charger to 25 BEVs.

5.2 “Potential benefits for customers”

Question 3: *What are your views on the potential benefits that may be gained from CPU's trial, including for network learnings?*

None of the potential benefits suggested by CPU for this trial require changes to ring-fencing. All of the potential benefits can be achieved if CPU instead chooses to work with its customers. Evie Networks and others are ready, willing and able to work with CPU to help make best use of existing network assets including latent capacity, while ensuring tariffs are truly cost reflective.

Through the course of the application and consultation, CPU has shifted the objectives of the trial. The objectives have included:

- A precursor to the DNSP Mandate model, by obtaining a waiver from ring-fencing requirements.
- Claiming that testing eMSP models was innovative.
- Finally emphasising that the focus was on Demand Management, with revenue coming from DMIAM (still funded by consumers).

None of these objectives are innovative. All of these activities are performed by industry today. For example, the eMSP model is based on standard industry protocols that are deployed around the world including in Australia. Evie has Demand Management technology that allows us to test both price elasticity during peak network events, and also respond at very short notice to local site capacity events. CPU simply needs to work with Evie and others to achieve its objectives. We have a mutual interest in maximising use of the network.

The table below repeats the proposed benefits of the trial in CPU's application and demonstrates that it would be easier for CPU to work with customers to achieve the stated objectives of the trial and that in some cases impossible for CPU to achieve the objectives without working with customers.

Proposed benefit by CPU	How to achieve without changing ring-fencing	Difficulty – working with customers	Difficultly – CPU working alone
Impact of EVCI charging on demand in local network	Work with customers or competitive business unit, agree to share data / insights.	Low – possible today. Infrastructure already exists at scale, or is planned by CPOs.	High – must first deploy own infrastructure, set up eMSP service, on board customers. Low scale for extent of trial.
Impact of customer charging on price elasticity during periods of low and high demand	Work with customers or competitive business unit, apply trial tariffs and measure response.	Low – already occurring today via Ausgrid EA964 trial	High – must first deploy own infrastructure, set up eMSP service, on board customers. Low scale for extent of trial.
Application of new technologies on the network	Undefined objective Work with customers or competitive business unit to define objective and deploy charging equipment accordingly.	Unclear – subject to defining objective	
Understanding utilisation rate of local area identities, for instance utilisation of residential streets compared to commercial and no-off-street parking locations to inform demand forecasting	Work with customers or competitive business unit, agree to share data / insights.	Low – possible today. Infrastructure already exists at scale, or is planned by CPOs.	High – not possible with only 100 chargers.
Impact of power quality on the network from customer charging behaviour	Coordinate with customers or competitive business unit to ensure suitable test scope.	Low – no changes required, just measurement by CPU	High – must first deploy own infrastructure, set up eMSP service, on board customers. Low scale for extent of trial.
Development of processes and technical guidelines for EVCI connections	This should be part of CPU's core function already. Out of scope for a ring-fencing waiver application.		

Put simply, the benefits for consumers will be realistic and positive if CPU chooses to work with its customers. Conversely, if CPU chooses to pursue changes to ring-fencing, CPU will not be able to achieve its stated objectives, and consumers will be worse off.

Critically, CPU seeks to explore Demand Management Innovation Allowance Mechanism (DMIAM) funding, meaning ratepayers would subsidise a supposedly commercial venture. This fundamentally contradicts claims of self-funding and reveals the true cross-subsidy risk. CPU may raise the point that the costs are modest when compared to the overall regulated asset base, but this is irrelevant.

In its application, CPU also extrapolates the trial scope to suggest it will deliver the supposed benefits of the DNSP Mandate model. While a full scale DNSP Mandate model is not part of the trial, given CPU is linking the two, we will also assess the issues of the DNSP Mandate model here and its impact on consumers.

Evaluating the DNSP Mandate model

To assess future policy responses and funding options for EV charging infrastructure, the AER should take into account the National Electricity Objective (NEO). At the highest level this could be distilled to:

1. **Is it fair for everyone?** Will the approach benefit all residents – including those who don't yet own an electric vehicle – without unfairly shifting costs?
2. **Does it deliver value for money?** Will the approach install the maximum number of chargers at the lowest overall cost to taxpayers and electricity customers?
3. **Does it maintain healthy competition?** Will the approach preserve innovation and price competition that improves service quality and drives down costs for drivers?
4. **Does it solve the actual problems?** Will the approach directly address the real barriers that are currently slowing down charger installations in Victoria?

A regulated monopoly model for kerbside charging infrastructure, where monopolies would own and operate chargers, while private charge point operators and energy retailers "compete at the plug" for customers is the wrong policy solution for the right problem.

Independent expert analysis[11] suggests it creates a substantial risk of:

- **increased energy bills for consumers** including those who don't yet own EVs;
- **displacing private investment** and suppressing innovation; and
- **slower rollout** because modifying ring-fencing rules beyond of the already highly-contentious CPU trial waiver application will face significant barriers.

Fair for everyone	✗	Socialising cost through network tariffs is regressive and requires cross-subsidisation between consumers. Regional and outer suburb consumers fund wealthy inner city residents as per section 2.2, and non-EV drivers will be funding EV drivers.
Value for money	✗	No incentive to operate efficiently, innovate or design for consumer charging. DNSPs have an opposing incentive to over-invest and gold-plate in order to maximise regulated returns.
Healthy competition	✗	Destroys competition and innovation. No CPO can compete with a regulated WACC and 100% market share. Displaces private capital.
Solves actual problems	✗	Does not address EV deployment issues ie. the key blockers raised. Unchecked, in terms of meeting the needs of local communities (Councils have prior experience of DNSPs deploying to suit their own agenda, not the needs of local communities). Unchecked in terms of matching supply with demand. DNSP incentive will be to overbuild, given returns are guaranteed.

[11] Economics of NSW Kerbside Electric Vehicle Charging Infrastructure, Tahu Consulting 2025 - See attachment for full report

Question 4: *What are your views on CPU's claim that they can provide kerbside EV chargers more cost-effectively than other third parties?*

The assertion by CPU and other DNSPs that they can provide kerbside EV charging more cost-effectively than competitors is not true. DNSPs are already able to deploy EV charging via their competitive business units and if they have a genuine cost advantage, they should simply focus on deploying through these competitive business units, and avoid distorting the market.

DNSPs claim that they have a lower cost base than their customers, however this is not been verified. When challenged on its asserted $6,500 unit cost—around half the market rate—CPU replied, "I won't get into the reasons why that is". Absent a Bill of Materials or tender evidence, the AER cannot 'test the information'.[12]

The costs that DNSPs charge their customers are meant to be cost-reflective. Either DNSPs fees are not cost-reflective, or the network cost base must be the same as customers.

A basic principle of competitive markets is that they will always operate more efficiently than monopolies. DNSPs cannot match the lean operations and focus of their customers and should not attempt to compete.

As a demonstration, industry benchmarking shows network-delivered community batteries cost $2.30 per kWh compared to $1.33 per kWh for non-network providers—a 73% premium.[13]

Not only will industry work harder for customers, innovating at greater pace and providing better service, the cost base for industry will be lower than for DNSPs. This is assuming that DNSPs are counting all costs associated with a viable rollout model.

It follows that DNSPs do not have any cost advantage without changing ring-fencing rules, that will allow them to cross-subsidise and discriminate:

- Reduced project costs if DNSPs do not engage with Local Councils and do not reserve car parking spaces for charging. In this case all consumers will be left to cross-subsidise inefficient assets under the RAB.
- No Facilities Access charges for DNSPs. DNSPs have stated in the AER workshop that they won't charge themselves for access to the pole. This is clearly discriminatory. Furthermore, by deploying on poles themselves, DNSPs will be foregoing Facilities Access revenue, which would otherwise benefit all consumers.

Consumers will be the losers: Monopolies with guaranteed returns have no incentive to operate efficiently or innovate. A competitive landscape will always provide a better outcome for consumers.

[12] AER, 'Transcript – DNSPs and its related entities' (5 May 2025), 8.
[13] AER, 'Transcript – contestable businesses' (7 May 2025), 13.

Cost area	Requirement	Cost in favour of:	Assessment
Local Council and Community Engagement	Choosing bays that align with community needs. Paying license fees. Upfront project coordination.	Industry / competition	Greater agility and requirement to ensure best community outcome to ensure asset utilization. If DNSPs choose not to reserve parking spaces, assets will be underutilised and consumers will pay.
Network connection and tariffs	Acquire electricity connection from DNSP.	Equal	Costs are meant to be cost-reflective
Equipment procurement	Identify and select equipment for network rollout.	Industry / competition	Greater agility and low procurement overhead. Large incumbents often charged more by suppliers to cover high procurement overhead.
Construction	Electrical and civil works	Industry / competition	In contestable markets, private contracts are always lower cost than DNSP incumbents.
Product development	Software and operations to service customers	Industry / competition	Low overhead and no legacy systems integration. Option to use best of breed technology.
Operations and Maintenance	Remote operations, customer service and field force	Industry / competition	Industry will use many of the same private contractors for remote field force. Industry not burdened with legacy system integration.
Facilities Access	Facilities Access Agreement	DNSPs	DNSPs have stated publicly and in the AER workshop that they won't charge themselves for Facilities Access, demonstrating clear discrimination. Note that facilities access revenue is meant to be for the benefit of consumers, so in this case consumers will miss out.

5.3 “Competition impacts on the kerbside EV charging market”

Question 5: *What do you view as the potential risks to competition from CPU's proposed trial?*

Ring-fencing is designed to preserve competition and protect consumers, while ensuring that there is no cross-subsidisation or discrimination by DNSPs. It is one of the main consumer protections in the regulatory framework today and proposals to relax ring-fencing rules must be considered carefully, as allowing any change of ring-fencing rules sets a dangerous precedent.

CPU would become both gate-keeper and competitor in the infrastructure layer. It writes and enforces the Victorian Service Installation Rules, which are "totally operated by the DNSP", prompting one participant to ask whether a DNSP that "hold[s] the pen" can fairly regulate its rivals.[14] The inherent conflict of interest is incompatible with competitive neutrality.

We do not agree with any proposal to relax ring-fencing rules. Instead, ring-fencing rules should be strengthened to provide greater confidence to industry and investors.

If the AER chooses to preserve ring-fencing, this will provide investors with confidence to continue investing in EV charging infrastructure in Australia. Conversely, should the AER approve this CPU waiver request, even for a 100 charger trial, it will send a powerful signal to potential investors that the risk of market monopolisation is real and the cost of capital will rise.

Governments and Ministers are also watching carefully. If the AER sends a signal that relaxing ring-fencing rules is OK, this will inform Government policy, potentially removing competition from the market in favour of inefficient monopolies.

Unintended consequences

It is clear that DNSPs have not considered how their relationships with customers will change when they start to compete with customers. We have regular conversations with DNSPs to share feedback and insights on network processes and utilisation, as well as sharing future plans. We intend to work more closely with DNSPs to address the clear barriers that exist today. However if DNSPs become competitors as well as monopoly suppliers, why would any CPO share information about future plans when there are no ring-fence protections?

Question 6: *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)?*

The selection of EV charging sites is a secondary issue and is of no consequence if ring-fencing rules are changed and competition in kerbside charging is eliminated.

In terms of the trial, we do note that the spread of chargers addresses neither the scale required to generate the local area learnings, nor the coverage to achieve the claimed benefits of the DNSP Mandate model. CPU would be much better off working with customers who already have infrastructure in the field, or are planning to deploy infrastructure already.

Question 7: *What are your views on the depth of the market for kerbside AC EVCI?*

[14] AER, 'Transcript – contestable businesses' (7 May 2025), 3.

Today, the depth of investment that is ready to deploy is healthy. As stated the main barriers are DNSPs themselves. Instead of competing with customers, DNSPs should be working with customers to address the barriers, thereby unlocking investment for the benefit of all consumers.

5.4 “Discrimination”

Question 8: *What are your views on the potential for CPU to discriminate against third-party EV charging service providers?*

It is obvious that should ring-fencing rules be changed, DNSPs will not be able to avoid discriminating against their customers.

Changing ring-fencing rules will create a structural cost advantage. CPU concedes, "we won't incur those Facilities Access Agreement charges because we don't charge ourselves to have assets on our poles". This is clear discrimination and creates an unassailable competitive advantage no market participant can match.

With CPU charging customers $20k just to provide a quote, and connection processes extending into months and years, there is high risk that CPU will have to discriminate to achieve its stated objectives. Evie can name other examples of extraordinary pricing for connections services, that do not match up against standard market rates.

In addition, with privileged and exclusive access to network data, DNSPs will plan deployments and reserve network capacity for themselves. When others apply for a connection the capacity will already have been reserved, forcing others to pay for expensive augmentations. [15]

5.5 “Waiver conditions, if granted”

Question 9: *Would the conditions above be fit for purpose, if a waiver is granted? Which are higher or lower priority?*
Question 10*: What other 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?*
Question 11*: What data should CPU share as a minimum and are there specific metrics that should be used – for example, specific metrics for measuring connection times?*

There is no situation where grant of a ring-fencing waiver is acceptable. It will be too damaging for the industry and a waiver is simply unnecessary. All of the necessary ingredients are available for CPU to achieve its objectives, simply by working with its customers instead of proposing to compete with its customers.

Evie Networks is ready to work together with CPU to achieve all of the stated objectives of the trial, provided ring-fencing protections remain in place.

[15] Evie Networks, 'NSW Parliamentary Inquiry Submission' (2 May 2025), 11.

6. Conclusion and recommendations

The evidence presented throughout the AER consultation process underscores the critical importance of maintaining ring-fencing protections to safeguard fair market competition, innovation, and consumer interests. Granting a ring-fencing waiver to CPU would not only set a dangerous precedent for allowing insurmountable structural advantages for DNSPs but the signal it sends would immediately undermine the competitive dynamics of the EV charging market.

The rationale for requesting a ring-fencing waiver is fundamentally flawed. All of the objectives of the CPU trial can be achieved without any changes to ring-fencing rules, simply by working with customers that already have the infrastructure, skills and experience to help CPU to achieve it's objectives. CPU's waiver request, positioned as a trial, diverges from Trial Guidelines, lacks justification, and contradicts the principles of efficient and equitable market development. The risks of cross-subsidies, regulatory arbitrage, and long-term market stagnation are too significant to ignore.

The sequential waiver strategy emerging just months after PLUS ES approval validates Evie's November 2024 warnings about regulatory arbitrage through "trials" of excessive scale. CPU's exploration of DMIAM funding exposes the cross-subsidy risk, while their 6.5-year timeframe reveals commercial intent.

The AER's decision will determine whether Australia's EV charging market develops through innovation and competition, or stagnates under utility control. The evidence demands only one conclusion: refuse this waiver.

To ensure a balanced and sustainable development of Australia's EV charging infrastructure, we recommend the following actions:

- Refuse the Waiver Request: Uphold the principles of the Ring-fencing Guideline and reject CPU's waiver application to prevent structural discrimination, protect competition, and foster a market-led approach.
- Support Collaboration: Encourage DNSPs to partner with industry players who already have the infrastructure and expertise, ensuring objectives are met without compromising regulatory protections.
- Strengthen Regulatory Frameworks: Develop and enforce transparent, standardised connection timeframes and tariff innovation to streamline network access and accelerate EV charger deployment.
- Promote Innovation and Competition: Facilitate a regulatory environment that incentivises private-sector investment and innovation, ensuring a competitive landscape that drives cost efficiencies and consumer benefits.

These recommendations aim to establish a robust framework that balances stakeholder interests, supports EV adoption, and fosters a thriving, competitive market for charging infrastructure. Upholding these principles will enable the transition to sustainable transportation while delivering long-lasting benefits to consumers and the broader economy.

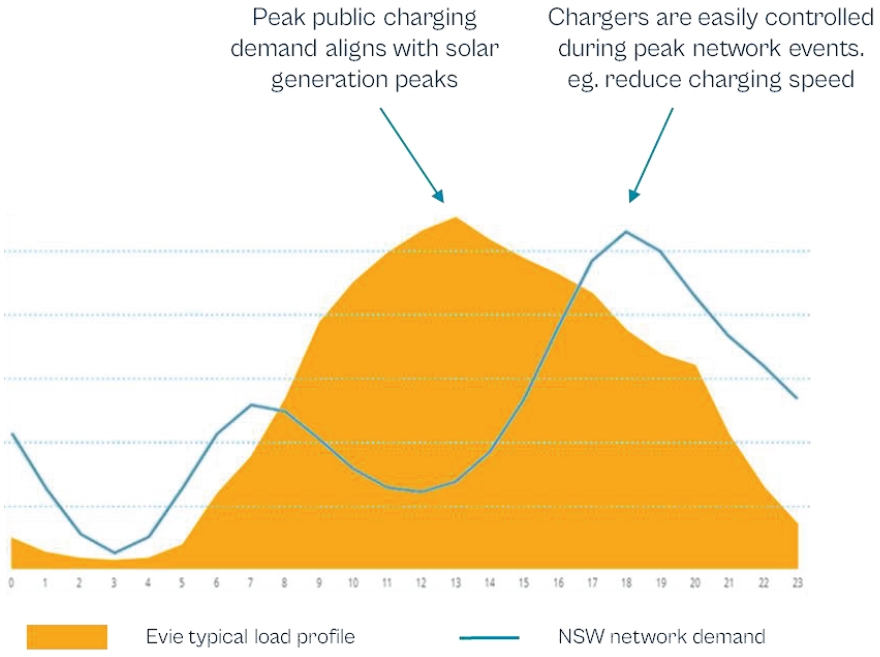
Appendix. EV charging is good for the grid and can save money for all consumers

Evie agrees with recent statements from DNSPs that EV charging is good for the electricity grid and has the potential to deliver significant benefits for all electricity consumers. Contrary to some popular misconceptions that EV charging will overload the electricity grid, this is not the case. The electricity grid is built for a few demand events each year and for most of the year there is significant latent capacity available that can be utilised by smart Consumer Energy Resources such as EV charging.

The key benefits of EV charging for the grid are as follows:

- Greater utilisation of existing network assets means efficiency benefits can be passed on to all consumers[16].
- Public fast charging demand aligns with solar peak times. Soaking up solar generation helps networks avoid the growing costs of managing excess solar.
- Networks are built for 5-10 peak events per year. Public charging is highly controllable and customers respond well to notifications and price signals.

The figure below demonstrates these points and is created from actual Evie network utilisation data overlaid with NSW electricity network demand.



Appendix. Addressing current barriers to efficient EV charging deployment

Australia already has a lot of experience deploying charging in different categories, from DC fast charging to kerbside AC charging, and across metropolitan and regional areas alike. In every state and territory, governments have co-funded EV charging infrastructure and the lessons learnt reveal common themes that have been consistent across Australia. Those lessons centre around strategic planning, local coordination and the role of DNSPs.

Local coordination challenges

Local governments, their communities and EV drivers have consistently expressed concerns about uncoordinated infrastructure rollouts. They care deeply about the aesthetics and amenity of local spaces as well as availability of EV charging. Specific examples of DNSP-led rollouts that are not coordinated with local governments and the community, such as chargers deployed by PlusES (Ausgrid) have resulted in AC charging being placed in undesirable locations, without dedicated parking bays. The chargers are inaccessible and low utilisation as a result, while incorporating non-compliant Ausgrid advertising.

We note similar concerns with other DNSP initiatives, such as Community Batteries, which are funded by consumers via the Regulated Asset Base, but positioned for maximum visibility and promotion, instead of placing equipment discretely within the community.

Grid connection delays and cost

The most significant barriers CPOs currently face are directly attributable to DNSPs. Connection processes are notoriously unpredictable, with timelines often stretching into years depending on connection size and without SLAs. This unpredictability introduces significant commercial risk and undermines the investment case for CPOs.

Connection costs also remain prohibitively high, with substantial variation between similar sites. Evie was recently quoted more than $20k by a Victorian DNSP to assess the cost of a power augmentation. The DNSP noted that further costs may be incurred subject to the outcome. The actual cost of connection will be an order of magnitude higher. Clearly spending $20k just for an investigation is a significant barrier to deployment. Evie is not saying that the DNSP is acting against current AER guidelines, but we are saying that AER rules allow DNSPs to create these barriers and that DNSPs, acting rationally, are taking advantage of inadequate AER rules in order to maximise profits.

Lack of flexible connection options

DNSPs have stated that there is ample capacity for additional kerbside EV charging and we agree. Part of the reason there is ample capacity is that equipment is easily controllable to avoid peak network events. Evie welcomes connection options that allow for flexible connections, however connection options available to CPOs today are very limited.

Evie's recent experience, right across Australia and including all regions of NSW, is that DNSPs often limit the capacity available for new CPO connections. At multiple sites in inner Sydney,

Evie has been offered just 133A and 150A by Ausgrid. We understand that networks must accommodate peak demand events, however EV charging equipment is highly controllable and we can easily avoid peak demand events, making use of latent capacity when available. Flexible connection options are not offered.

It remains to be seen how DNSPs might roll out an extensive AC charging network, when CPO experience is that there is often limited capacity available. The model as proposed is clearly not possible if DNSPs are required to follow the same rules that are applied to their customers.

Lack of system-wide coordination and data sharing by DNSPs

Despite their central role in the electricity system, DNSPs currently demonstrate little evidence of system-wide coordination regarding EV infrastructure. They typically respond to individual connection requests in isolation, without considering the broader context of EV adoption or charging needs. This piecemeal approach leads to inefficient network utilisation and higher costs for all stakeholders.

We suggest that DNSPs focus on opening up access to networks, enabled by extensive data sharing and streamlined processes that consider the broader EV charging rollout requirements of their customers.

Tariffs that are incompatible with sustainable charging business models

Current DNSP tariff structures fail to recognise the unique characteristics and clear benefits of EV charging for the grid. Demand charges directly penalise the load profiles inherent to public charging infrastructure, resulting in a disproportionately high cost of electricity for public DC fast charging.

The one example of an innovative tariff today, Ausgrid's EA964, provides a strong incentive to reduce load during peak demand events while offering low cost at other times. During heatwave events last summer, Evie reduced our demand at 11 sites by 50% to help protect the grid. However this tariff is limited to low utilisation sites and a further 18 sites were not eligible. When utilisation grows, none of our sites will be eligible and we will no longer work with Ausgrid to help stabilise the grid during heatwave events. Clearly this doesn't make sense in today's climate.

Tariff innovation is desperately needed across all DNSPs and it can start with replication and extension of Ausgrid's EA964 to other DNSPs and high utilisation sites.

Recommendations to address current barriers

Government policy must address the current barriers to EV charging rollout if NSW is to achieve objectives for EV uptake and emissions reduction. If the following recommendations are achieved, this will go a long way to creating a vibrant and sustainable EV charging industry that the community needs:

Support local government planning: Provide funding, resources and standardised frameworks to help local governments develop a consistent EV infrastructure strategies and processes.

Streamline network connections: Require DNSPs to provide standardised, transparent connection timeframes with SLAs and penalties for excessive delays.

Implement cost caps: Establish reasonable cost caps for standard connection types up to 300kW, with standardised technical requirements, to prevent excessive and unpredictable connection fees.

Develop flexible connection options: Require DNSPs to offer flexible connection arrangements optimise use of latent network capacity through controllable load management of smart infrastructure, with customers responding to network forecasts and signals.

Develop tariffs that recognise smart infrastructure: Replicate and extend Ausgrid's EA964 to other DNSPs and high utilisation sites for smart infrastructure that can be easily controlled by customers. Key elements of innovative tariffs should include energy-only charges for new sites; time-of-use rates with solar soak incentives; and load control incentives during critical events. Innovative tariffs should be available for both low and high utilisation sites.

Establish open access networks: Implement clear requirements for DNSPs to coordinate EV infrastructure planning across their networks and share capacity data, while streamlining processes.

Maintain and strengthen ring-fencing: Preserve and strengthen existing ring-fencing rules to ensure fair competition and a vibrant EV charging industry. Prevent DNSPs from leveraging their monopoly position to dominate emerging EV markets.

Create DNSP Performance Metrics: Develop specific performance indicators for DNSPs related to EV connection times, costs, flexibility and tariff offerings.