

Reasons for decision

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

October 2025

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AER reference: 30823009

Amendment record

Version	Date	Pages
1	22 October 2025	27

Contents

1	Executive Summary	1
2	Background	5
2.1	Summary of CPU's trial	5
2.2	Public consultation process	6
2.3	The AER's assessment approach	7
3	Summary of stakeholder views	8
4	Market definition.....	13
5	Assessment of the waiver.....	17
5.1	The National Electricity Objective	17
5.2	The potential for cross-subsidisation and discrimination.....	18
5.3	Competition risks.....	19
5.4	Benefits from granting the waiver	20
5.5	Assessment summary	20
6	Waiver conditions.....	22

1 Executive Summary

CitiPower, Powercor, and United Energy (collectively referred to as CPU) applied to the AER for a waiver from obligations under clauses 3.1(b) and 4.2 of the Ring-fencing guideline (electricity distribution) ('the guideline'). CPU sought a time limited waiver until mid-2031 to deploy 100 kerbside electric vehicle (EV) chargers across its distribution areas as part of a trial and to use its staff to maintain the equipment for the duration of the waiver.

CPU aim to test managing local network impacts through kerbside EV charger demand price response (by adjusting the tariff during minimum demand or critical price events) and dynamic modulation of chargers in response to real time network conditions. CPU propose to own the Electric Vehicle Charging Infrastructure (EVCI), and 'lease out' commercial access to E-Mobility Service Providers (e-MSPs), who will interface with customers and be responsible for setting charging rates and bills. CPU propose to support multiple e-MSPs at each charger via an open standards platform so customers can choose which e-MSP to use. This functionality simulates roaming and interoperability capabilities.

On 22 October 2025, the AER decided to grant, with conditions designed to safeguard competition and maximise trial learnings, a time-limited waiver to CPU. The AER's decision allows CPU to undertake a trial that is limited in scope and duration, and it is subject to requirements on site selection, competitive neutrality, transparency in processes and publication of learnings. This trial will test a specific set of objectives and to share valuable insights into demand response, tariff design and modulation of EV chargers to manage local network impacts. This knowledge may allow CPU and other network businesses to expand the number of poles that can accommodate EV chargers without requiring network augmentation.

In parallel to this waiver decision, the AER has proposed to reclassify pole access for kerbside EV charging as a negotiated distribution service in the Victorian reset draft determinations for the upcoming regulatory period (2026-31). With this proposed change, and the waiver conditions imposed, we consider that the potential risks for granting this waiver to allow the trial are sufficiently mitigated, given the learnings and broader public benefits that this trial can achieve. This waiver will expire on 30 June 2031.

In reaching our decision, the AER has had regard to the matters required by the guideline, comprising the National Electricity Objective (NEO), the risk of cross subsidisation and discrimination, and benefits to consumers compared to the costs associated with CPU complying with ring-fencing obligations. The AER carefully considered stakeholder submissions and we thank all parties for their contribution. Our assessment has focused on CPU's specific proposal and the merits of a trial, which is time-bound and limited in scope.

National Electricity Objective

The AER considers that CPU's trial has the potential to improve the price, quality, safety, reliability, and security of electricity supply for EV customers, particularly in areas currently underserved by commercial CPOs. Decarbonisation of the transport sector is a key pillar of Australia's national emissions reduction effort and EV uptake is accelerating as a result of coordinated government action. The Australian Government has introduced a suite of

measures to support this transition, including incentives to reduce the upfront cost of EVs, targeted funding for public charging networks and programs to improve access to home and apartment charging.¹ Despite this, gaps remain in the availability of convenient public charging infrastructure, particularly in urban and regional areas where access to off-street parking is limited. Within this broader policy context, the CPU trial has the potential to contribute to national decarbonisation objectives by addressing these availability gaps and supporting efficient, equitable access to public EV charging. By facilitating charging infrastructure in locations where it may not otherwise emerge quickly, the trial could improve outcomes for consumers, help integrate EV load into the electricity system efficiently and support the broader transition to a lower-emissions transport sector.

Several supportive stakeholders (including Darebin Council, the Australian Renewable Energy Agency (ARENA), Energy Consumers Australia (ECA), Energy Users' Association of Australia (EUAA), ChargePost and Connected Kerb) emphasised that kerbside charging is critical to enabling renters, apartment dwellers and those without off-street parking to participate equitably in the EV transition.

CPU's proposal offers an opportunity to generate valuable network learnings by testing customer responsiveness to price signals and implementing direct modulation of chargers under local network conditions. These insights are essential as EV uptake accelerates, and by CPU building internal capacity for managing network constraints, the trial could help expand the future set of suitable poles for kerbside charging to keep up with the pace that would be needed. The AER has listened to stakeholders and worked with CPU to refine the trial design to maximise potential network learnings by focusing on constrained locations, equity of access and data publication. A trial, which is limited in both scope and duration, is an efficient means for CPU to build internal capabilities for the transition towards transport electrification and assess how EV charging can be used to manage local network constraints, improve voltage stability, and shift demand away from peak periods. Further, CPU has committed to publishing trial data, and stakeholders stressed this as a key value of the waiver by ensuring insights are available to the whole industry and not only to CPU.

EVs are an important way in which we can reduce greenhouse gas (GHG) emissions. By installing more EVCI, CPU's trial could help to reduce GHG emissions by encouraging EV uptake among consumers without access to home or workplace charging, especially in underserved areas where private investment is unlikely in the immediate term. We consider that by targeting network-constrained sites that are less favourable for third parties to service, the trial could unlock latent demand and support broader emission reduction benefits through increased EV adoption.

The risks of cross subsidisation and discrimination

CPU's proposed investment of approximately \$1.2 million in this trial will be fully funded by its shareholder, who would absorb any financial losses, and also retain any profits generated. CPU has stated that no funding will be added to the regulated asset base (RAB), and it will

¹ Australian Government Department of Infrastructure, Transport, Regional Development, Communications, Sport and the Arts, [Transport and Infrastructure Net Zero Roadmap and Action Plan](#), 18 September 2025.

apply its Cost Allocation Methodology (CAM) to prevent regulated revenue from supporting its contestable business. These arrangements reduce the risk of direct cross-subsidy.

Several stakeholders called for safeguards to ensure competitive neutrality by, for example, requiring CPU to apply cost-neutral transfer pricing or considering benefit-sharing if profits exceed expectations.² The AER has sought to address these issues by imposing waiver conditions that require CPU to charge itself access fees commensurate with what it offers to third parties, and for CPU to consider tendering the chargers at the end of trial.

Several stakeholders also noted discrimination risks through preferential treatment in site selection, faster processing of CPU's own connection, or technical and commercial requirements that favour their own downstream business. We acknowledge these risks. The AER listened to stakeholders regarding barriers to access and, in parallel to this waiver decision, has proposed to reclassify pole access for kerbside EV charging as a negotiated distribution service in the Victorian reset draft determinations. Classification as a negotiated distribution service would allow DNSPs and access seekers to negotiate on pricing and service terms, while ensuring that access seekers benefit from good faith negotiations and dispute resolution pathways. This change, while subject to consultation and a final decision by the AER, will provide stronger regulatory oversight of terms, charges and negotiation processes for kerbside EV pole access seekers in Victoria.

The benefits to consumers versus the cost to CPU of requiring compliance

Many stakeholders noted the risk of foreclosing contestable investment, particularly in high-value urban locations. At the same time, others supported a limited waiver to overcome rollout barriers, generate shared learnings, deliver equitable access and test whether an interoperable, multi-e-MSP model could deliver efficiency and consumer benefits as an alternative competition model.

Balancing these views, the AER considers that the benefits of permitting CPU to undertake a controlled, shareholder-funded trial outweigh the costs of strict compliance with ring-fencing obligations, provided conditions are imposed. The trial is limited in scope and duration, and it is subject to requirements on site selection, competitive neutrality, transparency in processes and publication of learnings.

CPU's trial can provide valuable insights into demand response, tariff design and modulation of EV chargers to manage local network impacts. With knowledge of the effectiveness of measures to mitigate local network impacts, CPU and other network businesses could be better placed to expand the number of poles that can accommodate EV chargers without requiring network augmentation.

² Brendan Jones, [Submission to the AER's consultation on the waiver application for EVCI from CPU](#), June 2025, p. 12; EUAA, [Submission to the AER's consultation on the waiver application for EVCI from CPU](#), June 2025, p. 2; Energy Australia, [Submission to the AER's consultation on the waiver application for EVCI from CPU](#), June 2025, pp. 4-5; AGL, [Submission to the AER's consultation on the waiver application for EVCI from CPU](#), June 2025, p. 4; ARENA, [Submission to the AER's consultation on the waiver application for EVCI from CPU](#), June 2025, p. 4; NEXA Advisory, [Submission to the AER's consultation on the waiver application for EVCI from CPU](#), June 2025, p. 6; Australian Energy Council (AEC), [Submission to the AER's consultation on the waiver application for EVCI from CPU](#), p. 4.

The risks to competition are real, particularly around access to suitable poles and discrimination. However, these risks are mitigated by waiver conditions; the shareholder-funded nature of the trial; requirements to publish data and insights; and the AER's proposed reclassification of pole access for kerbside EV charging in Victoria, which will provide long-term regulatory oversight.

We listened to stakeholders and worked with CPU to adjust the trial design to maximise learnings, strengthen neutrality safeguards and ensure access arrangements are being reformed in parallel. On balance, the AER is satisfied that granting this waiver, subject to conditions, is in the long-term interests of consumers.

2 Background

CPU submitted an initial ring-fencing waiver application in December 2024, followed by a supplementary submission in March 2025, an operating model paper in May 2025 and a response to the AER's consultation paper in June 2025. The AER also discussed stakeholder feedback with CPU regarding site selection and innovation aspects of the proposed trial. In response, CPU refined its proposal to focus on constrained sites and demand management learnings. The AER considers this refinement is a direct outcome of stakeholder engagement.

2.1 Summary of CPU's trial

CPU will run a trial ending on 30 June 2031 with 100 kerbside EV chargers to test:

- **The ability of EVCI to defer augmentation on the low voltage circuit** in areas experiencing high EV growth and charging demand, which are experiencing or forecast to experience network constraints within the 5-year planning horizon.
- **Dynamic network pricing using 'solar soak tariff'** to test charging speed in periods of high solar export and low demand as a tool for managing minimum demand. This trial tariff is stated in CPU's proposed Tariff Structure Statement 2026-31.³
- **Vehicle to grid (V2G) charger application.** CPU proposes that up to 10% of EVCI will now be installed with V2G capabilities to enable two-way flows from EVs. This will test managing undervoltage (customers receiving less than 107V). In the waiver conditions, we have required that at least 5% of trial changers must be V2G.
- **Council deployment** preferences for siting of kerbside EV chargers.
- **Reliability of service** to test potential synergies in CPU maintaining availability and reliability of EVCI with their asset management obligations as part of their distribution network services.
- **Charging behaviours.** CPU will seek to understand how customers use kerbside EV chargers at a variety of locations and the relative utilisation of different sites, the implications for the wider scale roll out of kerbside EVCI and where future capacity needs to be planned and managed. They will also obtain, and publish, insights into responsiveness to price signals, especially during periods of low or peak demand, for informing future tariff and incentive design.

CPU will own and maintain the kerbside EV chargers but lease commercial access to multiple e-MSPs who will act as the CPO, responsible for setting customer charging rates and settling bills. CPU will interface with multiple e-MSPs using standardised, open protocols

³ CPU, [Regulatory proposal 2026-31 tariff structure statement explanatory statement](#), 2025, p. 34, accessed September 2025.

(OCPP/OCPI⁴), so customers can choose which e-MSP to use. CPU has stated this 'roaming model' enables customers to access services through multiple e-MSPs and to charge using the credentials from their preferred e-MSP.

Each EVCI will have a national meter identifier and CPU will engage an electricity retailer to provide retail services to CPU. CPU will pass through a flat rate electricity usage retail charge (without additional margins) to the e-MSPs, and the electricity retailer will bill CPU for the electricity usage.

Site selection will be subject to a waiver condition set by the AER, which requires CPU to publish proposed sites and demonstrate how these sites have been selected, balancing network constraints, local council engagement, forecast charging demand, and sites that are not subject to current third-party interest. CPU will fund the \$1.2 million expected cost of the trial and retain any associated profits, with no additional costs to be added to the regulated asset base (RAB) or from charges that are attributed to CPU's customers. EVCI maintenance costs will be captured through online timesheets and assigned to an activity so it can be attributed to the EVCI service and identified in their CAM.

2.2 Public consultation process

We publicly consulted on CPU's waiver application from 15 April to 13 June 2025, including holding 3 public stakeholder workshops in the week of 5 May 2025. The AER released a consultation paper as part of the process and published anonymised transcripts from the workshops. We received 36 formal stakeholder submissions.⁵



Figure 1: The AER's assessment timeline for CPU's ring-fencing waiver.

⁴ Open Charge Point Protocol (OCPP) makes it possible to connect any central system with any charge point, regardless of the vendor. ([Open Charge Alliance, Open Charge Point Protocol](#), 2025, accessed August 2025). Open Charge Point Interface (OCPI) protocol facilitates roaming services for charging EVs and provides information to customers about charging locations and prices. ([EV Roaming Foundation, Simply, standardize, and harmonize](#), 2025, accessed August 2025)

⁵ See the AER's [consultation webpage](#) for this waiver for all mentioned consultation documents and submissions.

2.3 The AER's assessment approach

The AER must have regard to several criteria when determining whether to grant a ring-fencing waiver.⁶ Clause 5.3.2 of the guideline specifies that in deciding whether to grant, vary or revoke a waiver, the AER must have regard to:

- the NEO as stated in the National Electricity Law, which is to promote efficient investment in, and efficient operation and use of, electricity services in the long-term interests of consumers of electricity with respect to:
 - price, quality, safety, reliability and security of supply of electricity; and
 - the reliability, safety and security of the national electricity system; and
 - the achievement of targets set by a participating jurisdiction, including for reducing or contribute to reducing, Australia's greenhouse gas emissions;
- the potential for cross-subsidisation from revenue earned from provision of regulated distribution services;
- the potential for discrimination where a DNSP confers a competitive advantage on its related service providers that provide contestable services; and
- whether the benefit, or likely benefit, to electricity consumers of the DNSP complying with the obligation (including any benefit, or likely benefit, from increased competition) would be outweighed by the cost to the DNSP of complying with that obligation.
- any other matter it considers relevant.

The AER can also impose conditions when granting a waiver to mitigate risks and maximise the benefits that can be achieved from the waiver.

The AER has assessed CPU's waiver application against these criteria, and the rest of the paper sets out our assessment against this decision-making framework. In this assessment we consider the benefits that could arise from granting this waiver, including the network learnings and efficiencies. We have weighed this against the potential risks, including the impact to competition in, and development of, the relevant public EV charging market and discrimination risks.

⁶ Core ring-fencing obligations for cost allocation, separate accounts, non-discrimination and information protection cannot be waived.

3 Summary of stakeholder views

Stakeholders presented a diversity of views on CPU's waiver application, from strong support for a learning-focused trial (sometimes subject to safeguards)⁷ to strong opposition citing risks to competition and consumer outcomes.⁸ While perspectives diverged, consultation revealed a set of consistent themes that we have considered closely.

The need for more kerbside EV chargers and equitable access

Kerbside alternating current (AC) chargers are seen by many stakeholders as a practical and cost-effective solution for high-density areas without off-street parking, offering convenience similar to home charging and avoiding major grid upgrades. They are seen as particularly valuable in inner city areas for improving air quality, reducing transport costs, and supporting solar energy use.⁹ AEMO and others highlight the role of kerbside chargers in meeting diverse charging needs by leveraging existing infrastructure. Stakeholders, including RACV and the Electric Vehicle Council (EVC), also stress the need for coordinated national planning, with local government involvement and strategic grid management. Others cited international models like the Netherlands and UK's Local Electric Vehicle Infrastructure as an example of centralised coordination.¹⁰

Several stakeholders reinforced the equity dimension in support of the proposal. ECA, Darebin Council and ARENA emphasised that households without off-street parking (including renters and apartment dwellers) face structural barriers to EV uptake and that kerbside charging is a necessary complement to (AC) destination and DC fast charging to ensure equitable access.¹¹ Darebin Council, for example, noted significant concentrations of dwellings without off-street parking in its local area (predominantly in CitiPower's network area) and expressed strong interest in participating in a trial using distribution assets. Connected Kerb and ChargePost drew on UK experience (where most public chargers are AC and kerbside is common) to argue that well-designed streetscape-sensitive hardware and open access software can deliver high utilisation without major civil works. EUAA also saw

⁷ See submissions from ECA, [Submission to the AER's consultation on the waiver application for EVCI from CPU](#), June 2025; AERNA; Darebin Council, [Submission to the AER's consultation on the waiver application for EVCI from CPU](#), June 2025; EUAA; Energy Networks Australia (ENA), [Submission to the AER's consultation on the waiver application for EVCI from CPU](#), June 2025; ChargePost, [Submission to the AER's consultation on the waiver application for EVCI from CPU](#), June 2025; Connected Kerb, [Submission to the AER's consultation on the application for EVCI from CPU](#), June 2025.

⁸ See submissions from EVX, [Submission to the AER's consultation on the waiver application for EVCI from CPU](#), June 2025; AEC; AGL; BP Australia, [Submission to the AER's consultation on the waiver application for EVCI from CPU](#), June 2025; Evie Network, [Submission to the AER's consultation on the waiver application for EVCI from CPU](#), June 2025; Tesla, [Submission to the AER's consultation on the waiver application for EVCI from CPU](#), June 2025; Ross de Rango, [Submission to the AER's consultation on the waiver application for EVCI from CPU](#), June 2025; Energy Australia; Nexa Advisory.

⁹ For example, Brendan Jones submission, p 4; Ross de Rango submission, p 5; ENA submission, p 1.

¹⁰ RACV, [Submission to the AER's consultation on the waiver application for EVCI from CPU](#), June 2025, p 5; EVC, [Submission to the AER's consultation on the waiver application for EVCI from CPU](#), June 2025, p 1; Tesla submission, p 4; Evie Networks submission, p 7; NRMA, [Submission to the AER's consultation on the waiver application for EVCI from CPU](#), June 2025, p 1.

¹¹ Darebin Council submission, p 1, ARENA submission, p 2; ECA submission, p 3.

potential in kerbside AC chargers as a way to broaden access if paired with robust transparency and competitive neutrality safeguards.¹²

Barriers to rollout - access fees and facility access agreements (FAAs)

Several stakeholders reported that the slow roll out of kerbside EV chargers in Victoria is due to procedural and cost barriers within DNSP processes, rather than a lack of market interest. They noted challenges regarding cost and delays faced by contestable CPOs accessing CPU's distribution poles, primarily due to high fees and restrictive FAA terms, which some view as anti-competitive. Stakeholders highlighted that CPU's FAA fees are typically substantially higher than some other DNSPs' FAA fees, including Ausgrid's.¹³ These access issues are seen as a major barrier to kerbside charger rollout, with stalled progress in Victoria despite successful deployments elsewhere.¹⁴ Many stakeholders are calling for stronger AER oversight, including standardised FAA terms, regulated price caps, performance criteria, and greater transparency.¹⁵ However, CPU argues that access fees should not be considered via the waiver, and should be subject to a wider debate about fairness.¹⁶

Pole access for kerbside EV chargers is currently unclassified and not regulated as part of our distribution determinations. In parallel to this waiver decision, and in response to the access challenges raised by stakeholders, we have commenced public consultation on reclassification of pole access for kerbside EV chargers as a negotiated distribution asset rental service for the Victorian DNSPs as part of their 2026-31 distribution determinations. This would bring rental of DNSP's kerbside poles access within the scope of our distribution determinations and make negotiations for access to the new service subject to a negotiating framework and criteria approved as part of that determination. Among other things, the negotiating frameworks and criteria would require DNSPs to negotiate in good faith, provide timely and relevant information, and progress negotiations within set timeframes. This will also give access seekers recourse to AER arbitration of any access dispute. This should directly address the competition risks arising from CPU potentially foreclosing third-party access to its pole assets and creating a margin/price squeeze. The AER's final determinations will be published in early 2026.

Further information on the service reclassification process for Victorian DNSPs can be found on the AER's website.

¹² Darebin Council submission, p 1; Connected Kerb submission, p 5-6; ChargePost submission, p 1; EUAA submission, p 2.

¹³ The specific annual fees were made available to the AER through private stakeholder correspondence.

¹⁴ Evidence provided by stakeholders suggests NSW has had a very successful kerbside charger rollout and as at 31 May has over 340 kerbside sites with over 430 charging ports rolled out and operating (Brendan Jones submission, p 4). Stakeholders at the AER's consultation [workshops](#) also expressed similar views.

¹⁵ Shell Energy and Powershop, [Submission to the AER's consultation on the waiver application for EVCI from CPU](#), June 2025, p 3-4; Brendan Jones submission, p 12; EVX submission, p 3; Ross de Rango submission, p 3-4; National Electrical and Communications Association, [Submission to the AER's consultation on the waiver application for EVCI from CPU](#), June 2025, p 4-6. Stakeholders at the AER's consultation [workshops](#) also expressed similar views.

¹⁶ CPU, [Submission to the AER's consultation on the waiver application for EVCI from CPU](#), June 2025, p. 8.

Innovation and the trial's role

Supportive submissions advocated a time-limited, learning-focused DNSP trial with strong publication commitments.¹⁷ ECA, EUAA and ARENA each supported the concept of a carefully scoped trial provided the evaluation framework is clear, site selection targets constrained feeders and/or underserved customer cohorts, and trial insights are publicly shared (including price-elasticity and power-quality observations).¹⁸ Connected Kerb argued that trial scale matters for inference quality, recommending a two-tranche approach (an initial 100 to prove operations and a larger tranche to achieve a statistically meaningful dataset). Similarly, ChargePost highlighted mature UK practices where smart AC kerbside equipment responds to dynamic signals and can integrate at micro-grid levels, suggesting DMIAM support could be appropriate to test orchestration features.

Conversely, several stakeholders argued that similar insights (data for demand forecasting and load management) could be obtained through partnerships with third-party CPOs or other DNSPs. These stakeholders noted that EV chargers enabling remote management and dynamic demand control are already used, and CPU's proposal duplicates existing efforts without offering novel benefits. Additionally, stakeholders noted CPU's lack of customer-facing capabilities and that the scale of its proposed rollout may not yield meaningful local area insights.¹⁹

While AEMO acknowledged potential planning insights from CPU's trial, it highlighted operational complexities and suggested CPU's role could be simplified to infrastructure maintenance.²⁰

Some stakeholders also expressed support for DNSPs owning the equipment, as they already own and manage the physical assets and have knowledge of the technical constraints to ensure safe and efficient integration with the electricity network. Their view is that doing so supports different business models to evolve, from ones involving a vertically integrated delivery model, to one which enables downstream competition by CPOs specialising in customer-facing services.²¹ But others noted that the multiple e-MSP model could hinder infrastructure innovation by limiting competitive differentiation to price alone.²²

Cost efficiency claims

Some stakeholders supported testing CPU's claimed cost efficiencies. Submissions from Connected Kerb endorsed CPU's view that DNSPs are structurally well-placed to roll out kerbside EV chargers at lower cost. Connected Kerb suggested that CPU's proposed service

¹⁷ ECA submission, p 5; EUAA submission, p 2; ENA submission, p. 2; AEMO, [Submission to the AER's consultation on the waiver application for EVCI from CPU](#), June 2025, p. 2; ARENA submission, p 2-4; Ausgrid, [Submission to the AER's consultation on the waiver application for EVCI from CPU](#), June 2025, p. 7; Connected Kerb submission, p 3 and 11; ChargePost submission, p. 2.

¹⁸ EUAA submission, p. 2; ECA submission, p 6-8; ARENA submission, p. 2-4

¹⁹ Brendan Jones submission, p. 17; Erne Energy, [Submission to the AER's consultation on the waiver application for EVCI from CPU](#), June 2025, p 2; Evie Networks submission, p. 8 and 18; Tesla submission, p. 5; Ross de Rango submission, p 5; ECA submission, p 7

²⁰ AEMO submission, pp. 1-2.

²¹ ChargePost submission, p. 2; Connected Kerb submission. p 5.

²² Brendan Jones submission, p 7; AGL submission, p 1.

model, whereby their role is ownership and maintenance of the EVCI but e-MSPs maintain the customer-facing role, reduces overall costs for EV charging customers.²³ We consider that the trial could provide useful learnings on the benefits of this model, particularly when compared to other end-to-end business models. ARENA also agreed that allowing DNSPs to use their regulated workforce could reduce costs and speed deployment, particularly by removing site-selection inefficiencies.²⁴ Other stakeholders, including ECA, acknowledged the potential but stressed that CPU's evidence to date is anecdotal. They argued the claimed cost advantage must be substantiated through transparent reporting and independent evaluation.²⁵

Conversely, some stakeholders cited a lack of supporting evidence of cost efficiency claims and that cost advantages may stem from DNSPs' monopoly status, allowing bypass of fees and connection processes that third parties must navigate.²⁶ On balance, there was support for testing CPU's efficiency claims in practice, but with clear conditions that cost outcomes must be monitored and assessed against contestable benchmarks to ensure the trial delivers genuine and validated learnings.

Competition and conflict of interest

Some stakeholders suggested that as a monopoly infrastructure owner, CPU could leverage proprietary network data, control connection processes, and impose unfavourable terms on third-party CPOs, while prioritising its own chargers.²⁷ Stakeholders also noted CPU may land bank suitable poles, neglect core distribution duties, and undermine ring-fencing rules.²⁸ The lack of transparency and information asymmetry – especially around suitable pole locations and network conditions – gives DNSPs a significant advantage, reinforcing calls for regulatory safeguards to protect competition and innovation in the EV charging sector. We note similar potential competition concentration risks arise in the context of private CPOs, particularly for first movers who acquire a sizeable portfolio of pole-mounted, kerbside EV chargers.

Market failure

During consultation, through the submissions and workshops, many stakeholders have told us there is a competitive, albeit nascent, market for public EV charging services. There are several EV charging businesses operating in Australia via different operating models, including: bp Australia (via bp Pulse), RACV, NRMA, EVX, Shell Energy and Powershop, Origin Energy, AGL, ChargePost, Energy Australia, Red Energy and Lumo Energy, Engie, Jolt, Evie Network, Flow Power, and Tesla.

²³ Connected Kerb submission, p. 6.

²⁴ AERNA submission, p. 2.

²⁵ ECA submission, p. 4; ARENA submission, p. 4.

²⁶ Verdant Vision, [Submission to the AER's consultation on the waiver application for EVCI from CPU](#), June 2025, pp. 2-3; EVC submission, p. 2; AEC submission, p. 4; ECA submission, p. 4;

²⁷ AEC submission, p. 2; Origin Energy, [Submission to the AER's consultation on the waiver application for EVCI from CPU](#), June 2025, p. 1; Red Energy and Lumo Energy, [Submission to the AER's consultation on the waiver application for EVCI from CPU](#), June 2025, p. 3

²⁸ For example, Brendan Jones submission, p. 10; BP Australia submission, p. 4; Nexa Advisory submission, p. 2; Ross de Rango submission, p. 7.

Many submissions disagreed with CPU's claim that there is a market insufficiency or failure.²⁹ Stakeholders contended that barriers created by DNSPs are the real cause of the slow deployment of kerbside EV chargers. Some stakeholders who were supportive of the waiver (including ARENA) highlighted material gaps in suburban and regional areas where commercial rollout is weak, noting high capital costs, low utilisation and site-selection complexity as barriers. They argued DNSP involvement can be justified in specific circumstances with safeguards.³⁰

Site selection and use

Some stakeholders, including EUAA and ARENA, supported oversight and transparency in site selection, suggesting the publication of a robust and fair selection methodology.³¹ Additionally, ARENA encouraged CPU to consider co-locating chargers with public amenities to improve utilisation rates and future-proofing site design to accommodate smart charging and, where feasible, V2X capabilities.³² Several stakeholder submissions disagreed that CPU's proposed site selection method (based largely on existing EV ownership) reflects actual demand or addresses market gaps.³³ They suggested targeting areas with low EV ownership to encourage uptake and avoid reinforcing existing disparities.

Other systemic barriers

Many stakeholders noted barriers, include the lack of EV charging specific tariffs, limited visibility of hosting capacity, and restrictive Victorian Service and Installation Rules.³⁴ To accelerate deployment, stakeholders propose reforms such as transparent and streamlined application processes, dedicated connection teams, dynamic hosting capacity maps, and for DNSPs like CPU to offer cost-reflective EV charging tariffs or trial tariffs.

²⁹ For example, EVX submission, p 9; AGL submission, p 3; AEC submission, p 1; Ross de Rango submission, p 3; Evie Network submission, p 11; RACV submission, p 6; Flow Power, [Submission to the AER's consultation on the waiver application for EVCI from CPU](#), June 2025, p 4; Consumer Energy Technology Alliance, [Submission to the AER's consultation on the waiver application for EVCI from CPU](#), June 2025, p 3.

³⁰ ECA submission, p 6-8; EUAA submission, p 2; Master Electricians Australia, [Submission to the AER's consultation on the waiver application for EVCI from CPU](#), June 2025, p 2;

³¹ EUAA submission, p 2; ARENA submission, p 2-4

³² ARENA submission, p 2

³³ For example, EVX submission, p 3; AGL submission, p 5; ECA submission, p 8; Engie, [Submission to the AER's consultation on the waiver application for EVCI from CPU](#), June 2025, p 2-3; Tesla submission, p 7

³⁴ For example, Evie Network submission, p 6; RACV submission, p 5; Ross de Rango submission, p 4; Nexa Advisory submission, p 4

4 Market definition

For the purposes of assessing CPU's waiver application, we consider it appropriate to define both a broad relevant market for competition assessment and a narrower affected segment for impact analysis.³⁵

While most EV charging occurs at home, the AER considers that the relevant area(s) of competition for this analysis are for the supply of public EV charging services in local geographic market(s) within CPU's distribution areas in Melbourne and proposed locations in Victoria (Mornington Peninsula, Geelong and surrounds, Ballarat, Bendigo and Shepparton). The public EV charging services market is unlikely to be homogenous and likely includes different segments, consisting of AC and direct current (DC) charging, and kerbside and destination charging.

The purpose of identifying the relevant areas of competition is to clarify and focus the competition analysis to where competition impacts are greatest in the market segments that make up the EV charging industry. We do this by categorising together goods and services that are substitutable or in close competition with each other. The dimensions through which potential substitutes can be categorised include:

- **Product:** if consumers or suppliers substitute two products with each other given a small but significant increase in price,³⁶ they can be considered in the same product market;
- **Geography:** if consumers and suppliers substitute between products available in two distinct geographic areas, they can be considered in the same geographic market.

EV chargers are categorised by levels indicating the amount of power delivered to an EV from the charger. Level 1 is the lowest and level 3 is the highest. Level 1 and 2 are AC slower chargers which range from 1.4kW-3.7kW and 7kW-22kW charging capability, respectively. Level 3 is direct current (DC) charging, offering 25kW-350kW fast charging capability. In terms of charge rate, level 1 provides 10-20km range per hour, while level 2 provides 30-130km range per hour (a level 2 three-phase charger is capable of 50-130km per hour charge rate), and level 3 adds 150-300km range per hour.³⁷

While there is limited robust research on Australian EV customers' charging habits, we have heard from stakeholders that the various public AC and DC charging options are regarded as substitutes for many customers, in that drivers consider any public charging options can meet the same requirement. For example, HoustonKemp's report indicates that AC and DC chargers compete for customers, and that drivers use AC and DC public charging to meet different needs.³⁸ Drivers who typically use AC charging may use DC chargers when rapid

³⁵ We note that a formalised and finalised market definition is not required for the purposes of this analysis.

³⁶ This demand price response is referred to as the 'small and non-transitory increase in price' (SNIP) test.

³⁷ Transport for NSW, [Charging an electric vehicle](#), 2025, accessed August 2025.

³⁸ HoustonKemp Economists, [Creating accessible and affordable public EV charging networks for Australia](#), a report for Energy Consumers Australia, July 2025, p. 37.

charging is needed, and drivers may use AC chargers if they are conveniently located and available, even where DC options exist nearby.

For example, a driver without off-street charging options may rely on destination (AC) charging at shopping centres or other kerbside charging options if these happen to be available when the customer has the car parked anyway. However, where the driver has immediate charging needs, they can easily switch to DC charging, albeit potentially at a higher cost for the faster service. Stakeholders have also noted that drivers use AC chargers in a more ‘opportunistic’ way, in that they are used when it happens to be available when the driver needs it. Notwithstanding, drivers would likely ‘top up’ using the AC charger given the opportunity. In all, there appears to be a high degree of fluidity in which users switch between the different public charging services depending on need and opportunity.

Drivers are also relatively constrained by geography for public EV chargers. Drivers would tend not to sit in the car for a prolonged period, so it would need to be close to their destination or home. Drivers would also unlikely travel great distances specifically to access an EV charger either at a shopping centre or at a DC charging station.

On this basis, the AER considers that the relevant area(s) of competition for this analysis are for the supply of public EV charging services in local geographic market(s) within metropolitan Melbourne and western Victoria.

Some industry stakeholders shared that the EV charging market is broad, with a range of business models and technologies emerging, however customer needs are largely similar – timely charging, at low cost and at a convenient location. Some stakeholders indicated that customers tend to use AC and DC chargers interchangeably, and that kerbside EVCI competes for customers with other forms of EV charging.³⁹ Public EV charging services may not be homogenous and potentially include different segments, but the AER considers that price may not be a sole determinant for the substitutability between AC and DC charging. Other factors, such as speed and convenience of charging, are likely to play an equally important role in customers’ charging decisions.

- AC and DC charging – while using different electrical ‘inputs’, AC and DC charging produce the same ‘output’ of charging an electric vehicle. AC charging is slower, taking anywhere from 2 to 16 hours to fully charge a battery for a single-phase charger and 30-60 minutes for three phase AC chargers. DC charger can take 10-60 minutes.⁴⁰ Information available to the AER indicates that AC charging may cost up to \$0.50/kWh, but in many instances prices are considerably cheaper than this or even provided free of charge.⁴¹ Conversely, we understand that DC charging typically costs around \$0.40-0.80/kWh, with some CPOs offering \$0.25-0.69/kWh for 22kW-200kW

³⁹ Flow power p. 3, Brendan Jones, p. 23.

⁴⁰ Transport for NSW, [Charging an electric vehicle](#), 2025, accessed August 2025.

⁴¹ Brendan Jones, Submission to CPU ring-fencing waiver for EV charging infrastructure, p. 5; Solar Quotes, [Public EV charging](#), 6 August 2025, accessed October 2025; AER independent research on the Chargefox platform.

chargers.⁴² The overlap in price indicates that AC and DC charging are likely to be substitutes, as pricing and service decisions are likely to be constrained by the existence of the alternatives to which customers could switch. It is difficult to categorically determine from this price information alone whether AC and DC charging are distinct product segments, or part of the same relevant areas of competition. Using the broader ranges, the AER notes that there is a degree of overlap in prices, which may suggest substitutability. Where price ranges are narrow and distinct, it may indicate consumers may be less likely to switch from AC to more costly (DC) charging. The closer AC and DC charging are as substitutes, the more likely that AC pricing and service decisions are competitively constrained by the ability of consumers to switch between AC and DC charging, which lowers the potential for competitive risk from actions in the AC charging segment. The AER notes stakeholder views (as outlined above) on the substitutability of AC and DC charging which indicate that they may be relevant substitutes.

- Kerbside and destination charging – kerbside charging powered by AC, and destination charging may be either AC or DC charging. Within a geographic market (discussed below), it is likely that these are considered substitutes for customers, where an increase in price (or reduced availability) of one would lead to customers switching to the other.

We consider that competition is local because, for most drivers, viable alternatives are constrained to chargers within walking distance (up to ~2km) or a short drive (~5km) from their home, workplace or destination.⁴³ The time taken to charge means drivers will generally leave their vehicle and remain in the area during charging, further constraining the geographic scope of substitution.

- Within these local segments there are some supply-side substitutes that could offer EV charging services in a timely manner and hence constrain CPU's ability to exercise its market power. Existing operators of public EV charging services could increase the supply of destination EV charging stations where facilities (e.g. a parking lot) exist. However, there is not always such available, suitable locations for installing alternative AC or DC chargers within each local market. There may be some limitations on where standalone AC or DC charging stations can be located, particularly in residential areas. We note that HoustonKemp's report suggests that a 'land-grab' for prime charging locations, if left unchecked, could result in localised monopolies – which are concentrations of a single provider (commercial providers or otherwise) in a geographical location due to a lack of competition.⁴⁴

⁴² NSW Climate and Energy Action, [Electric vehicle fast charging stations](#), accessed 6 August 2025; Solar Quotes, [Public EV charging](#), 6 August 2025, accessed October 2025; AER independent research on the Chargefox platform

⁴³ The walking distance may be even less. For example, Randwick City Council conducted a survey showed only 9% of respondents were willing to walk more than 500m to use an EV charger. (Randwick City Council, [Leading the Charge – Supporting Documentation](#), July 2023, p. 36).

⁴⁴ HoustonKemp Economists, [Creating accessible and affordable public EV charging networks for Australia](#), a report for Energy Consumers Australia, July 2025, p. 41.

This waiver would directly affect the supply of public AC kerbside charging services using pole infrastructure in local geographic segments within CPU's distribution areas. This segment has distinct characteristics relevant to competition analysis, including:

- DNSP ownership of a key input – kerbside AC chargers can be relatively cost effective to deploy compared to other types of chargers, as it leverages existing distribution pole infrastructure that have ready power supply. For example, a local Melbourne council representative suggested that standalone kerbside charging stations (not on distribution poles) could cost \$40,000-50,000 to install, depending on requirements for new electrical supply, civil works, a switchboard and the charger itself.⁴⁵ CPU within its network areas has monopoly ownership and control over pole access.
- Locational scarcity – suitable poles are a finite and location-specific resource. High-value sites are typically in residential or mixed-use areas without off-street parking, where alternative charging formats may not be viable.
- Barriers to entry – other forms of AC charging or DC fast charging may not be deployable in these locations due to space or network capacity constraints.

The aim of defining relevant areas of competition is to establish context for the competition risks that exists for granting the waiver. We recognise that there is a potential conflict of interest given CPU's position as the monopoly owner of pole assets as a key input. There are 2 key risks.

Input foreclosure risk. Pole infrastructure is an essential input into the supply of lower cost public AC kerbside EV charging services, which is a segment within the broader category of public EV charging services. CPU, as monopoly owner of pole infrastructure in its distribution area, will have the ability to fully foreclose access to the 100 poles in the trial (though this is also the case for any pole occupied by a contestable CPO), and to other poles within the same local market to prevent competition. CPU also has the incentive to foreclose CPOs' access to poles where doing so would allow them to set prices for EV charging above the competitive market price, or limit diversion from any of its 100 EVCI to competitors' services within the local market of each pole.

Margin/price squeeze. CPU has the ability to disadvantage competitors by charging a price for access to poles that makes it uncommercial to offer a competitive price in a downstream market. That is, CPU could effectively increase barriers to entry/expansion and limit competitors' ability to achieve economies of scale. This could have the effect of reducing competition and enabling CPU to charge higher prices over time.

We discuss further these competition risks as part of our assessment of the waiver below.

⁴⁵ AER, [Consultation workshop for CPU's ring-fencing waiver, government, consumers and consumer interest groups – 8 May 2025](#), 2025, accessed September 2025.

5 Assessment of the waiver

This section describes our assessment of the waiver against the mandatory assessment criteria set out in the guideline and detailed in section 2.3.

5.1 The National Electricity Objective

CPU's trial is likely to improve the price, quality, safety, reliability and security of supply of electricity for EV customers using the trial chargers. CPU's proposal of 100 EV chargers may improve EV owners' access to public charging options closer to home than their existing charging solution, although this benefit would be limited to those customers who use the chargers. These benefits are maximised if CPU's chargers are situated where commercial operators are disinclined to service (for example, network constrained or financially unviable sites) and add to the supply of public EV chargers.

CPU proposes to test demand management via its EVCI, primarily customer response to price signals, including minimum system demand events and incentivise solar soaking by discounting the tariff during those periods. CPU has also indicated it would undergo demand management via modulation to test how EVCI could be used to support system stability e.g. voltage management. This testing could support efficient functioning of the electricity system as a whole if it leads to higher usage during minimum demand events, reduced usage during critical peak events, and improves CPU's ability to manage the network (e.g. voltage management). Any such direct benefits during the trial would be amplified if they contribute to the long-term operation of the network and avoids augmentation needs, particularly as more public EV chargers and EVs come online. CPU developing better internal systems to manage network constraints could also potentially expand the future set of suitable poles for kerbside charging.

Stakeholders have indicated that AC chargers generally have the benefit of reducing reliance on DC charging and reduce the 'peakiness' of loads, so supporting the availability of kerbside chargers could result in avoided network augmentation needs associated with DC charging. We also heard from stakeholders that the trial could address equity and access issues because public charging is essential for households without off-street parking.⁴⁶

The transition to EVs could also help to contribute to the achievement of a jurisdiction's emissions reduction targets. The installation of 100 additional public kerbside chargers may encourage consumers who don't currently own an EV, and do not have access to home or work chargers, to purchase an EV. As stakeholders point out, kerbside charging aims to replicate the convenience of home charging.⁴⁷

We consider there may be a benefit to be gained from CPU's proposed 100 public kerbside chargers where it unlocks latent demand, by encouraging consumers who do not currently own an EV to purchase an EV. This benefit is maximised where CPU's chargers are targeted

⁴⁶ ECA submission, p 7; ARENA submission, p 4; Darebin Council submission, p 1; Connected Kerb submission, p. 11; ChargePost submission, p 1; EUAA submission, p 2; Brendan Jones submission, p. 4; Ross de Rango submission, p. 5; ENA submission, p. 1.

⁴⁷ For example, Brendan Jones submission, p. 4; Ross de Rango submission, p. 4.

at sites where there are network constraints that limit third parties' ability to service, thereby adding to the overall supply of public chargers. Encouraging this transition to EVs assists in reducing GHG emissions and leads to positive externalities for the environment.

5.2 The potential for cross-subsidisation and discrimination

Cross-subsidisation

CPU's investment in this trial is not funded from the RAB and is capped at \$1.2 million, with all losses absorbed by their shareholder who bears full financial risks. EVCI maintenance costs would be attributed to the EVCI trial in the CAM, which avoids cross-subsidisation risks. We note that CPU would also retain any profits from the trial and would not be required to share these with consumers, as the Shared Asset Guideline is not applicable in this instance. CPU estimate an annual revenue of about \$200,000 which only offsets the investment over the proposed 6-years of the trial.

Discrimination

Stakeholders have indicated there is significant private sector interest to supply the market and public demand for the service, but there are current barriers to deployment, including network processes.⁴⁸ CPU is the pole asset owner, and with a waiver CPU also becomes a pole access seeker. This creates a conflict of interest given CPU owns the poles and can discriminate in favour of itself,⁴⁹ and bypass processes it imposes on third parties. Granting the waiver could increase the potential for CPU to favour its own EV charging activities over competitors when allocating or approving access to pole sites. This could occur through:

- preferential site selection or queuing position for scarce locations
- faster or more favourable processing of its own applications, or
- setting technical, commercial or operational requirements to advantage itself.

Furthermore, if CPU does not charge itself access fees as it indicated, this raises questions of competitive neutrality and discrimination against third parties.

As noted above, we are proposing parallel reform in response to these stakeholder concerns. The proposed reclassification of a distribution pole asset rental service as a negotiated distribution service in Victoria will introduce negotiating frameworks, information obligations and arbitration processes to address long-term competition and transparency issues beyond the trial.

⁴⁸ For example, EVX submission, p 9; AGL submission, p 3; AEC submission, p 1; Ross de Rango submission, p. 3; Evie Network submission, p. 11; RACV submission, p. 6.

⁴⁹ We note the part of the DNSP that provides contestable electricity services is also classified as a related electricity service provider (RESP), and under the guideline DNSPs have an obligation to not discriminate in favour of a RESP. (AER, *Ring-fencing Guideline Electricity Distribution (Version 2)*, October 2017, cl. 1.4)

5.3 Competition risks

The primary risk to consumers from granting CPU a waiver is the potential for competition harms in the kerbside EV charging market segment. Doing so risks the contestability of the kerbside EV charging market segment, raising potential longer-term cost to consumers if CPU leverages its monopoly advantages to displace private investment and crowd out competitors. This potentially limits opportunities for competitive entry and expansion, which has the potential to harm consumers through higher prices, reduced service choice and lower levels of innovation.

CPU's dual role as monopoly pole asset owner and proposed EVCI provider creates multiple risks:

- Input foreclosure risk – as discussed, CPU could reserve the best locations for itself and deny or delay access for third-party CPOs. This risk is amplified by the scarcity of high-value kerbside sites, particularly in dense inner-urban areas without off-street parking.
- Margin/price squeeze – stakeholders pointed to CPU's current pole access fees as unreasonably high compared with other DNSPs. These fees, combined with the ability to bypass its own access and connection processes, could render third-party business models unviable.
- Information asymmetry – CPU holds superior data on pole suitability and network hosting capacity. Stakeholders argued CPU could withhold or selectively share this information to disadvantage competitors.
- Investor confidence – several submissions noted that DNSP entry into kerbside charging could have a negative effect on private investment, as investors may be unwilling to compete with a regulated monopoly that controls essential inputs.

CPU may face some competitive constraints in the broader market for public EV charging services, including from fast charging and destination charging services. As discussed, we have information indicating the various public EV charging services are likely substitutable with kerbside charging, and this is reflected in the stakeholder submissions. These alternatives may provide some constraint on CPU's ability to profitably engage in input foreclosure. It also suggests there are ample public kerbside EV charging market opportunities remaining within this market segment, which would be attractive for private investors. This is particularly considering CPU's proposed 100 EV chargers is few relative to the potential size of the public EV charging market. There is also considerable government funding available to incentivise private sector co-investment in public EV charging services.

We also note that the proposed e-MSP model CPU is proposing could have positive competition effects. By mandating interoperability and opening access to multiple e-MSPs, the trial could reduce market fragmentation and deliver efficiencies for consumers. This represents an alternative competition model available to test as part of the trial, that shifts rivalry to the service layer while leveraging DNSP capabilities in asset management.

The AER's proposal to reclassify pole access as a negotiated distribution service places greater regulatory oversight of CPU's fees and terms under its FAA for pole access, and its pole access negotiation processes. This would place considerable constraint on CPU's ability to leverage its monopoly position to foreclose competitors or to charge unreasonably high

input prices or restrictive terms, potentially mitigating much of the abovementioned risks. Similarly, the small-scale, time-bound nature of the trial and the application of strict waiver conditions is likely to mitigate the identified risks to competition.

5.4 Benefits from granting the waiver

The main benefit from granting this waiver (with conditions) are the network learnings that could be gained from leveraging the EVCI for demand management. There is a need to manage network constraints to avoid unnecessary augmentation for facilitating growing EV charging loads, with EVs also having an important role in enabling shifting of loads from peak periods to address these network risks. The additional inclusion of a proportion of the EVCI involved in the trial to be bidirectional (V2G) charges adds further depth to the insights and learnings.

CPU aims to test demand price responsiveness and direct modulation of the EV chargers. In CPU's Tariff Structure Statement 2026-31 it proposes to "introduce a trial tariff for dedicated low voltage EV charging sites, such as pole-mounted EV chargers [to] provide an opportunity for dedicated low voltage EV charging sites to be more affordable by responding to price signals."⁵⁰ This satisfies the requirement to notify the AER for making trial tariffs available to retailers and its customers from July 2026.

Some stakeholders noted that these network learning benefits are amplified where the results are transparently published and treated as public goods.⁵¹ Third-party operators may be reluctant to publish commercially valuable utilisation or price elasticity data, so a DNSP-led trial could help fill this gap. Conversely, other stakeholders cautioned that DNSP ownership is not essential to obtain these learnings. They pointed to existing trials in NSW and to contestable CPO's who had already deployed more than 100 kerbside chargers in a matter of months (e.g. EVX and PlusES). Similarly, functionalities such as modulation and tariff-based demand management already exist, so CPU's proposed learning risks duplicating existing knowledge rather than adding new value.

CPU's multiple e-MSP model may also support greater customer choice of retailers on a single charger (simulating roaming capabilities and interoperability). This trial also offers an opportunity to compare and test alternative operating models in an Australian context given the current kerbside charging market segment is largely dominated by a more integrated operating model whereby the service provider both owns and operates the EVCI and provides associated CPO services.

5.5 Assessment summary

On balance, the AER considers that CPU's trial can deliver valuable insights into demand management and customer behaviours in relation to public EV charging. On 22 October 2025, the AER decided to grant, with conditions designed to safeguard competition and

⁵⁰ CPU, [Regulatory proposal 2026-31 tariff structure statement explanatory statement](#), 2025, p. 34, accessed September 2025.

⁵¹ For example, ARENA submission, p. 4; ECA submission, p. 5; AEMO submission, p. 1; Essential Energy, [Submission to the AER's consultation on the waiver application for EVCI from CPU](#), June 2025, p. 3

maximise trial learnings, a waiver to CPU that will expire on 30 June 2031. The AER's decision allows CPU to undertake a trial that is limited in scope and duration, and it is subject to requirements on site selection, competitive neutrality, transparency in processes and publication of learnings. This trial will test a specific set of objectives and to share valuable insights into demand response, tariff design and modulation of EV chargers to manage local network impacts.

The trial will generate and publish data that CPOs may not otherwise release, including utilisation patterns, demand responsiveness to tariffs and modulation and the effectiveness of V2G capability in addressing local voltage issues. These learnings are expected to support all DNSPs in preparing for widespread EV uptake, particularly in managing network constraints on constrained low voltage feeders, and may allow network businesses to expand the number of poles that can accommodate EV chargers without requiring network augmentation.

We are mindful however of the potential competition risks identified by stakeholders and CPU's role must be carefully scoped. CPU's dual role as monopoly pole asset owner and EVCI operator creates a material risk of discrimination, foreclosure and margin/price squeeze in local kerbside charging markets. There is also the potential for the waiver to influence third-party investment decisions, particularly if DNSP ownership is perceived as a precedent for broader market entry.

In parallel to this waiver decision, the AER has proposed to reclassify pole access for kerbside EV charging as a negotiated distribution service in the Victorian reset draft decision for the upcoming regulatory period. Additionally, the trial will be limited in scope and duration, and subject to a range of waiver conditions, which are detailed in the following section. Given the proposed service classification change for Victorian DNSPs and the waiver conditions, we consider that the potential risks for granting this waiver to allow the trial are sufficiently mitigated, given the learnings and broader public benefits that this trial can achieve.

We listened to stakeholders and worked with CPU to adjust the trial design to maximise learnings, strengthen neutrality safeguards and ensure access arrangements are being reformed in parallel. On balance, the AER is satisfied that granting this waiver, subject to conditions, is in the long-term interests of consumers.

6 Waiver conditions

We have imposed a set of conditions to calibrate CPU's trial in a way that ensures the EVCI are targeted at locations where there are network constraints, so CPU can gain the greatest demand management learnings for managing network risks and on customer behaviour. These network constrained sites are also likely to be where the private market is disinclined to service. It limits CPU's involvement at the site for a short period of time to unlock the market value of that location. It also requires CPU to publish information and data that would benefit industry learning and understanding of customer behaviour, to support contestable market development.

The AER further encourages CPU to improve its network visibility to support the kerbside EV charging industry, by publishing information on pole suitability and available capacity in a user-friendly, accessible manner.⁵² For example, Essential Energy's network map includes a layer which contains pole information and available capacity.⁵³ Publishing this information can reduce a significant information barrier that hinders third-party EV charger rollout.

The conditions for this waiver are as follows:

Trial conduct

1. Allow CPU to install up to 100 EV chargers of which at least 5% must be V2G chargers. CPU must maintain a publicly accessible, current register of the final list of the EVCI installations on its website. This should contain information on the address, e-MSPs available, charging speeds, V2G functionality, and other relevant information.
2. CPU must charge itself annual access fees equivalent to the annual median access fees charged to unrelated⁵⁴ third-party EV charging operators accessing its poles.
3. At the conclusion of the trial, CPU must elect to undertake one of the following options:
 - a) Seek a new ring-fencing waiver from the AER to continue operation of the EVCI until failure or decommissioning; or
 - b) Offer any EVCI that remains operational to contestable providers (for example, via competitive tender process), including access to the established charging site (subject to any applicable pole access rental charge); or
 - c) Uninstall any EVCI that remains operational.
4. Until the commencement of the forthcoming Victorian 2026-2031 regulatory reset period:
 - a) CPU must negotiate in good faith the terms and conditions of access to pole assets, for third parties who seek access to CPU's poles.
 - b) CPU must publish on CPU's website(s) a negotiation procedure document for third-party pole access seekers and a standardised master FAA terms and

⁵² CPU have existing online network visualisation portals, which can be found [here \(for CitiPower and Powercor\)](#) and [here \(for United Energy\)](#).

⁵³ Essential Energy, [Network information portal](#), accessed September 2025.

⁵⁴ An unrelated third-party being an entity that is not a related electricity service provider in relation to CPU as defined in s1.4 Ring-fencing Guideline (electricity distribution)).

conditions of pole access (including annual lease fees and other charges, with clear justification for its charges based on a cost-recovery basis with reasonable cost adjustments in providing pole access). This should include steps involved in processing kerbside EV charging connections and pole access requests, so that stakeholders have greater certainty about the application process. This is to ensure third party applicants have access to commercial information they may reasonably require to effectively negotiate with CPU.

One-off reporting

5. CPU must make reasonable efforts to ensure wide market participation for engaging e-MSP partners. CPU must publish on CPU's website(s), and notify the AER of its publication, a report that, at a minimum, provides evidence to demonstrate that it has 'tested the market' through a range of efforts. This may include expression of interest, competitive tender process and/or request for proposals transparently. This report should be published as soon as is reasonably practicable and no longer than 12 months after the start of the trial.
6. CPU to identify specific EVCI sites for its trial consistent with the following approach:
 - a) within 6 months of this AER decision, publish on CPU's website(s), and notify the AER of its publication, a listing of the final EVCI sites, with supporting evidence, demonstrating that these selected sites appropriately balance:
 - i) locations where there are network constraints, which ensure greatest learnings about demand management to address network constraints.
 - ii) diverse council engagement;
 - iii) high potential for EV charging load
 - iv) sites that are not subject to a current connection request by a third-party.

Annual reporting

7. CPU must submit, to the AER, along with its annual ring-fencing compliance report (per section 6.2 of the Ring-fencing Guideline (electricity distribution)), an audited financial report on an annual basis, which sets out the financial performance of the trial (including a breakdown of the capital, operational, maintenance costs for the EVCI, and revenues earned), including an attachment containing a breakdown of the access fees charged to itself and unrelated third parties, and other relevant information, to evidence that condition 2 has been met.
8. CPU must publish on CPU's website(s) at the same time as its annual ring-fencing compliance report, and notify the AER of its publication, data and information annually, provided in a downloadable tabular format (e.g. csv), on:
 - a) all relevant learnings, including but not limited to:
 - i) charger demand and usage, and network impacts (e.g. power quality, voltage deviations etc, at the distribution transformer level);
 - ii) data on demand response to dynamic pricing signals;
 - iii) timeframes for energising EV chargers for CPU;

- b) performance of CPU's EVCI in terms of outage frequency, type of faults, duration, and maintenance response / resolution timeframes.
- 9. CPU must annually publish on CPU's website(s), at the same time as its annual ringfencing compliance report, and notify the AER of its publication, the expected timeframe for energising third party EV chargers, resulting timeframes, and reasons for rejecting any applications or elongated negotiations. This includes time from the original application to approval of application, approval to energisation, any associated assessment milestones, disaggregated by site.