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Victorian electricity distributors' 2026–31 regulatory proposals

Response to AER Draft Decision and DNSP Revised Proposals

Evie Networks | January 2026

About Evie Networks

Evie Networks, established in 2018, is Australia's largest owner-operator of public DC fast EV charging infrastructure. We have built a national network of over 300 charging stations and 1000 bays across all distribution networks. In Victoria we have over 100 public fast charging stations, spread right across the state and all DNSP areas. In the past twelve months, our network delivered over 30 GWh, enabling approximately 200 million kilometres of zero tail-pipe emission travel for passenger cars, light commercials, and battery-electric trucks.

1. Executive Summary

Evie Networks welcomes the opportunity to comment on the Australian Energy Regulator's (AER's) draft decisions for the Victorian electricity distribution determinations for the 2026-31 regulatory control period. As Australia's large public DC fast charging network, Evie relies on timely, affordable and non-discriminatory access to electricity distribution networks.

Evie broadly supports the **direction and intent** of the AER's draft decisions. In particular, Evie supports the AER's emphasis on:

- Improving utilisation of existing network assets;
- Managing peak demand through pricing and flexibility;
- Scrutinising demand forecasts and growth-driven capital expenditure; and
- Embedding electrification and emissions reduction considerations within the National Electricity Objective.

However, Evie is of the firm view that Victorian DNSPs are not delivering in accordance with these principles. Evie remains concerned that **some aspects of the current regulatory and pricing framework risk discrimination by DNSPs while undermining the development of a competitive EV charging market**, particularly for public and fast charging infrastructure.

These concerns arise most acutely in relation to:

- Tariffs available to DC public charging business models are incompatible with sustainable business models, as they penalise utilisation,
- Discriminatory tariff treatment between DNSP-owned kerbside charging and competitive public EV charging,
- Incorrect tariff assignment for public EV charging loads, made possible by vague assignment policies and regulatory loopholes,
- Complexity of proposed dynamic pricing trials, with opportunity to simplify and accelerate,
- Slow and inconsistent connection processes, with discretionary costs,
- Lack of data transparency to enable planning,
- The potential expansion of regulated DNSP activity into EV charging markets.

This submission focuses on **themes relevant across Victorian DNSPs**, derived from real-world experience. This is also a critical juncture for EV industry and consumers, with significant lobbying by Energy Networks Australia and DNSPs to expand their monopolies into many Consumer Energy Resource (CER) areas.

Evie's recommendations are detailed throughout this submission. In summary, the AER needs to:

1. Require further and accelerated tariff innovation by DNSPs, as current tariffs were not designed for EV charging and result in high costs / lost opportunities to benefit the grid;

2. Require DNSPs to include DC fast charging in EV tariff trials, to avoid further discriminatory tariff treatment that is biased to DNSP-led charger deployments;

3. Address current ambiguity and close loopholes for connections and tariff assignments, to avoid punitive charges that are applied to new services;

4. Simplify and accelerate the CPU proposed dynamic pricing trial, so maximise chances of success;

5. Improve connection transparency and accountability, addressing the large time and cost associated with deployment of EV charging infrastructure;

6. Improve data transparency, to promote better planning by all stakeholders;

7. Limit regulated involvement in EV charging, preserving competition in the EV charging market.

It is worth noting that many of these items, in particular #2 and #3, are easily addressable, with only small adjustments to DNSP proposals.

2. EV charging and the energy transition: alignment in principle, friction in practice

Across the Victorian DNSPs' proposals and the AER's issues papers and draft decisions, there is strong recognition that:

- Electrification of transport is a major driver of future electricity demand
- EV charging load is highly flexible - it can soak excess solar while shifting load away from peak periods; and
- Managed EV charging can improve network utilisation and reduce long-run costs for consumers.

For example, Jemena's proposal explicitly states that EVs "present an opportunity to increase the utilisation of the electricity distribution network, and if the additional electricity used in EV charging can be managed, the expected increase in peak demand can be abated." Similar language appears in AusNet's and United Energy's proposals.

The AER's issues papers also highlights EV charging stations as a new class of large customer connection requiring careful treatment, alongside data centres and batteries.

Evie strongly agrees with this diagnosis. However, **there are no proposals by DNSPs to address the issues faced by DC public EV charging providers.**

In the next section, we explain the existing barriers that are faced by DC public fast charging providers, none of which are addressed through the current stage of the regulatory process. We suggest practical solutions for each issue.

3. Addressing current barriers to efficient EV charging deployment

3.1 Tariffs available to DC public charging business models are incompatible with sustainable business models

While tariffs are intended to signal network costs, for EV charging loads in practice they can create a **perverse outcome for EV charging providers where both low utilisation and successful charging sites are penalised**:

- At low utilisation, EV charging is technically eligible for a Volume tariff (thanks to a Victorian Government Order In Council);
- However if Volume tariffs are requested at the time of connection, DNSPs often increase the upfront connection cost, eliminating savings;
- As utilisation increases above 160MWh pa, large tariffs are assigned. The Charge Point Operator is exposed to substantial demand charges based on maximum demand or capacity measurement. This materially worsens site economics.

Nexa Advisory's submission makes this point explicitly, noting that opt-out mechanisms and transitional arrangements for Demand tariffs are often framed around "customers such as EV charging stations" that need time to build utilisation, yet these protections are typically temporary and limited.

We welcome that Victorian DNSPs allow customers to opt-out of Demand / Capacity tariffs for connections that are below 160MWh pa and note that this requirement came from a Victorian Government Order in Council. Evie's experience is that this option is the only protection against punitive DNSP tariff charges at this early stage in the industry. However as mentioned this protection often causes networks to charge more upfront for connection. We describe this and other DNSP loopholes later in this submission.

Evie is concerned that the AER's draft decisions, while recognising the issue in principle, **do not yet go far enough in addressing the structural incompatibility between demand-based tariffs and public fast charging business models**.

Solutions:

The solution is dynamic tariffs with price signals that recognise the benefits of public EV charging. Features of a dynamic tariff designed for public EV charging would include:

- Critical peak pricing applying only during actual network peak demand events, with advance notice enabling load response. While CPOs can readily curtail chargers to avoid adding excess load during a peak demand event, providing a 24 hour notice period would also allow communication with EV drivers, so they can shift their demand away from the peak demand event.
- Ultra-low cost solar soak pricing during middle of the day periods. Solar soak periods are regular and predictable. CPOs can incentivise increased demand by providing pricing signals to drivers, who in turn could take advantage of the low rates.
- Low cost at other times to encourage complementary network utilisation.
- No arbitrary utilisation thresholds which render sites ineligible for the tariff, thereby penalising successful sites and nullifying consumer benefits as adoption scales.

Evidence from **Ausgrid's EA964** trial in NSW demonstrates this approach is feasible, compatible with network cost recovery, and delivers better outcomes than generic capacity charges. The main limitation with EA964 today is that once site utilisation grows, the site is no longer eligible for the tariff, and the benefits to the grid and consumers are lost.

DNSPs should be required to implement similar trials to EA964, while also enabling such a tariff for higher utilisation sites, for the benefit of all consumers.

Tariff innovation is essential for the viability of both low and high utilisation sites. We would like to see more tangible commitment to tariff reform from all DNSPs as a result of this regulatory review process.

3.2 Discriminatory tariff treatment between DNSP-owned kerbside charging and competitive public EV charging

Evie is particularly concerned about the interaction between:

- High cost tariffs applied to competitive DC public charging sites, and
- DNSP-facilitated kerbside AC charging arrangements that will face materially lower effective network charges.

Each Victorian DNSP has proposed a pole-mounted EV charging trial and all of the trials specifically exclude DC public fast charging from being eligible. Evie estimates that this will create a **cost disadvantage of up to $0.10 per kWh between DC public charging and AC pole-mounted charging**. This barrier is in addition to higher connection costs for DC charging.

During consultation, Evie requested to CPU that DC public charging be included in the trial, without success. Ausnet and Jemena did not offer consultation with Evie.

The rationale for including DC public charging in the proposed tariff trials is clear:

- As noted by the AER[1], AC kerbside and local DC charging serves the same driver segments. The same driver need for kWh / range is satisfied by both solutions and in many cases drivers will be choosing between the solutions for their routine top-ups,
- Evie's DC chargers in Victoria are most often located at local, open-air car parks that are surrounded by residential housing,
- DC charging provides greater network utilisation and, with appropriate price signals, can provide greater benefits for the grid and savings opportunities consumers,
- DC charging is already deployed in many areas. Trial learnings can commence immediately,
- Moderately sized DC public charging stations are equivalent to only 2-5 kerbside EV chargers, noting that over time there will likely be multiple AC chargers along each street,
- Social equity - drivers need many different types of charging and some drivers will rely on DC public charging through necessity. They should not be penalised due to punitive network tariffs,
- Excluding DC public charging creates a real or perceived issue regarding discrimination in favour of DNSP-owned EV charging infrastructure,
- Including DC public charging would be a straightforward change to the scope of the tariff trial.

No legitimate reasons or data have been provided by DNSPs for excluding DC public charging. Instead, CPU only responded with a generalisation that is unsupported by fact or logic:

> *"DC charging stations, which can have demand of several hundred kW, can have a significant impact on the network"*

Rather than this being a reason to exclude DC public charging from the trial, it should be considered a reason to include DC public charging. Inclusion in the trial would provide incentive

[1] AER determination regarding CPU waiver request to deploy kerbside EV charging

to manage load in a way that existing tariffs do not. DC charging will therefore continue to operate without consideration for network conditions. Consumers will be worse off, which obviously doesn't make sense.

The artificial cost imbalance creates further risks the rollout of competitive public charging:

- Crowding out the huge amount of private investment in higher-power public charging that is necessary for Australia to meet its 2030 and 2035 decarbonisation targets,
- Skewing deployment towards lower-power solutions regardless of user needs, and
- Slowing the rollout of DC public charging that is essential infrastructure for many driver segments.

Solution:

The solution to this immediate, discriminatory issue is simple and straightforward to implement - expand the scope of proposed trial tariffs for public charging to include DC public fast charging.

3.3 Incorrect tariff assignment for public EV charging loads, made possible by vague assignment policies and regulatory loopholes

DNSPs have discretion to assign tariffs for new sites. For EV charging loads, this often means defaulting to Demand or Capacity tariffs designed for large business connections. This can result in consumers paying incorrect tariffs for extended periods, adding significant operating costs. Citipower, Powercor and United Energy have even recently proposed to the AER that standard waiting time be extended from 12 to 15 months for any tariff reassignment requests.

To demonstrate, the Citipower TSS Compliance document provides the following outline of the tariff assignment process:

> *Retail customers should be assigned to tariff classes on the basis of one or more of the following factors:*
>
> > *i) the nature and extent of their usage or intended usage of distribution services;*
> >
> > *ii) the nature of their connection to the network….*

This is obviously vague and lacks definition. In practice DNSPs will generally apply large business tariffs to DC public fast charging, then require customers to justify reassignment by providing 15 months of data (up from 12 months previously) before allowing the correct tariff to apply reassignment. Even at 12 months, **the cost to an EV Charge Point Operator can be $10k or more in the first year**. This is not in line with the Minister's Order In Council which is designed to protect new charging stations from punitive Demand or Capacity chargers.

In some cases, choosing a non-Demand tariff increases upfront connection costs. For example, for a site in Victoria Evie was advised that if we were to choose the non-Demand tariff, as is our right under the Minister's Order In Council, then **an additional $18k in connection costs would apply.**

Furthermore, in a highly fragmented supplier landscape, with different tariffs, assignment policies and contacts across multiple DNSPs and retailers, the onus is on the consumer to negotiate with DNSPs for every connection. This results in consumers having to commit resource to tariff optimisation (unproductive), or over-paying DNSPs (costly).

Solutions:

- New EV charging sites must have the option to opt-out of Demand / Capacity tariffs irrespective of network connection size, to avoid unfair, discretionary DNSP tariff assignment,
- Do not increase connection charges where a customer elects to opt-out of Demand / Capacity tariffs. Instead, recognise that with appropriate tariff innovation, the fair cost to the network will be recovered,
- Eliminate any 12 month (increasing to or 15 months) waiting period for tariff reassignment requests for new sites, acknowledging that this is a new industry that is growing,
- Tariff structures and assignment policies should be uniform across DNSPs to avoid complexity associated with fragmentation,

DNSPs must educate retailers and consumers about their options for EV charging stations.

3.4 Complexity of proposed dynamic pricing trials, with opportunity to simplify and accelerate

CPU has proposed a dynamic pricing trial, with local network signalling and 5 minute windows. While Evie is supportive of tariff innovation, in this case the trial can be simplified to provide a greater chance of success.

We are concerned that the solution CPU is proposing is complex from the outset - for CPU to develop and also for retailers to support. This will likely delay implementation and limit retailer adoption. Instead, we recommend a simpler approach initially, with signals similar to other CPD tariffs and fewer but longer peak windows. This would align with existing tariffs, widening support, enabling earlier learnings and providing a greater chance of success.

Solution:

Commence earlier with a simpler tariff trial, enabled by a structure that emulates existing tariffs, thereby minimising barriers to uptake while maximising support among retailers.

Migrate to the proposed 5 minute, dynamic pricing as a phase 2 of the project, with early lessons learned incorporated into the solution.

3.5 Slow and inconsistent connection processes, and with discretionary costs

For public EV charging providers, **connection processes are often the most significant, binding constraint on investment.**

Across DNSPs, connection costs and timeframes can vary substantially, even for similar projects. Re-quoting, scope changes and additional requirements late in the process are common industry experiences.

The AER's issues papers acknowledge that:

- Connections expenditure is increasingly driven by "new drivers of larger and more expensive connections, including … electric vehicle charging stations";
- Inaccurate demand forecasting under revenue caps can expose customers to higher tariffs; and
- The efficiency of connection processes is therefore critical.

Evie welcomes this recognition but notes that **practical outcomes on the ground have not yet materially improved.**

The operational experience of working with Victorian DNSPs is as follows:

- Connection processes are unpredictable, with timelines often stretching into years and no SLAs. This uncertainty creates commercial risk and undermines investment.
- Costs are based on approved labour rates, but DNSPs aren't accountable for hours charged, leading to high costs that can't be challenged.
- DNSPs rarely coordinate system-wide for EV infrastructure, responding to each request in isolation. This fragmented approach drives up costs and wastes network capacity.
- Contestability is patchy: Citipower and Powercor block contestability. United Energy has a poor implementation of contestability where works often become slower when the contestable, due to inefficient integration with United Energy processes.

Solutions:

- Standardise connection processes and systems across DNSPs.
- Make second points of supply standard across the country, with consistent safety criteria.
- DNSPs should treat EV charging connections as a service, with common standards based on connection size and customer needs.
- Enforce transparent service standards and SLAs–UK networks face financial penalties for delays; Australian DNSPs should too.
- Make DNSP contestability uniform. Competitive markets deliver faster, cheaper service than in-house DNSP work.
- Streamline processes benefit networks by reducing disputes, repeat applications, and engineering time.
- Innovate with connections, providing flexible connections and dynamic operating envelopes as an alternative to costly network augmentations.

3.6 Lack of data transparency to enable planning

There is limited information available from DNSPs about network capacity. Across Victorian DNSPs, for example, we must apply for a specific connection size and, if not viable, start a new application without any indication of available capacity. This operational issue has not been addressed through this regulatory process.

Solutions:

- DNSPs should provide open access to network capacity data and streamline processes to support EV charging rollout.
- Distribution Annual Planning Reports should include accurate, historical, and live data at the local transformer level.
- API integration would allow CPOs to target investment where capacity is available, saving DNSP resources.

5. Competitive neutrality and DNSP involvement in EV charging

5.1 The emerging risk

Across Victoria, there is increasing discussion of DNSPs:

- Installing kerbside AC chargers,
- Leveraging public funding for charging infrastructure, and
- Seeking regulatory acceptance of these assets as part of the regulated asset base (RAB).

While Evie acknowledges that access to charging for residents without off-street parking is an important policy objective, **regulated ownership of EV charging infrastructure presents serious risks**.

5.2 Competition risks from regulated ownership

From Evie's perspective, regulated DNSP ownership of EV charging assets would confer at least three structural advantages to DNSPs that are competition risks:

1. **Guaranteed returns and no volume risk.** DNSPs recover costs through regulated revenue, regardless of utilisation or market success.
2. **Control over upstream bottlenecks.** DNSPs control connection approvals, augmentation timing, technical standards and access to poles and land.
3. **Tariff and service design influence.** DNSPs influence the very pricing structures that determine the economics of EV charging.

These advantages are not hypothetical. The AER's own draft decisions and issues papers highlight:

- The central role of demand forecasts in setting tariffs;
- The discretion inherent in negotiated services; and
- The reliance on utilisation growth to justify capital expenditure.

5.3 Alignment with broader stakeholder concerns

Evie notes that concerns about competitive neutrality are shared widely.

Nexa Advisory's submission argues that allowing DNSPs to own or favour EV charging infrastructure risks "material distortion of competitive markets" and recommends strict limits and safeguards.

The Electric Vehicle Council similarly emphasises the importance of private capital and warns against regulatory settings that deter investment.

Evie strongly aligns with these views and supports the AER taking a **precautionary approach**.

5.4 Role of the AER

Evie recognises that the AER does not set EV charging policy; but the AER does determine the economic framework within which EV charging markets develop.

Accordingly, Evie urges the AER to:

- Apply strict scrutiny to any DNSP proposal involving EV charging assets or services;
- Require clear evidence of market failure before approving regulated involvement; and
- Ensure that regulated services do not substitute for competitive markets.

6. Demand forecasts, utilisation and the EV opportunity

A consistent theme across DNSP proposals is reliance on:

- Strong demand growth,
- Major new connections (e.g. data centres), and
- Increased utilisation to deliver lower average tariffs.

The AER's draft decisions appropriately challenge overly optimistic forecasts and highlight the risks customers bear under revenue caps if demand growth does not materialise.

Evie submits that **managed EV charging load represents one of the most credible and controllable sources of utilisation growth**.

However, this potential will only be realised if:

- EV charging providers face tariffs that reward flexibility and don't penalise success;
- Connection processes enable timely deployment; and
- Markets remain open to private investment.

7. Recommendations

Evie Networks recommends that, in its final determinations, the AER:

1. **Require further and accelerated tariff innovation by DNSPs:** Strengthen scrutiny of EV charging tariffs, ensuring that tariffs applied to EV charging do not unduly penalise utilisation and are consistent with electrification objectives. Well-designed tariffs will promote complementary network usage for the benefit of all consumers.

2. **Require DNSPs to include DC fast charging in EV tariff trials:** Including DC fast charging in proposed tariff trials will ensure a more even cost base between similar charging technologies, promoting greater investment while avoiding discriminatory behaviour by DNSPs.

3. **Address current ambiguity and close loopholes for connections and tariff assignments:** Remove the 12-15 month wait time for tariff assignment for new EV charging sites, allowing correct tariffs to be applied from the outset. Prevent DNSPs from charging higher connection costs simply because a fair tariff is selected by the consumer.

4. **Simplify and accelerate the CPU proposed dynamic pricing trial:** Apply commercial best practices to innovation. Trials can commence sooner with a simpler scope, applying learnings and iterating in future phases. Emulate existing tariff trials to minimise barriers for consumer participation ensuring greatest chance of success.

5. **Improve connection transparency and accountability:** Strengthen requirements for DNSPs to publish indicative costs, timelines and technical standards for EV charging connections. Require greater investment in connection innovation, such as flexible connections, to accelerate connections and reduce costs.

6. **Improve data transparency:** Require DNSPs to publish suitable detail regarding network capacity, helping customers to better plan investment while promoting a level playing field.

7. **Limit regulated involvement in EV charging:** Require compelling evidence of market failure before approving EV charging assets within the RAB.

8. Conclusion

Evie Networks supports the AER's overall direction in the draft decisions and its focus on efficiency, utilisation and consumer outcomes.

However, **Victoria's EV transition will succeed only if regulatory settings enable an acceleration of competitive, privately-financed charging infrastructure**.

There are obvious and simple remedies that can be applied today, that will go a long way to addressing issues with discrimination and loopholes, while encouraging further investment.

Evie Networks welcomes continued engagement with the AER as this process progresses.