AJMG Solutions

Submission to the Australian Energy Regulator

To: Australian Energy Regulator (Ring-fencing)

Lodged via: AERringfencing@aer.gov.au

Re: Essential Energy — application for a ring-fencing waiver from clauses 3.1(b) and 4.2 of the Ring-fencing guideline (electricity distribution) to provide kerbside electric vehicle charging infrastructure

From: AJMG Solutions — Andrew Giannasca, Founder

Date: 26 June 2026

Confidentiality: None. This submission may be published in full.

About this submission

AJMG Solutions is a boutique strategic advisory firm specialising in transport electrification and urban decarbonisation. We offer these comments from three vantage points rarely combined in one contributor: operating experience inside a commercial kerbside charge point operator, current council-side delivery experience, and behind-the-meter infrastructure experience.

For transparency, we make the following disclosures. Our founder, Andrew Giannasca, was the first employee of JOLT, an Australian-founded kerbside charge point operator (CPO), and worked on the rollout of its Australian network. He no longer works with JOLT in any capacity, but continues to hold a minority equity interest in the company. JOLT operates in metropolitan markets rather than in Essential Energy's regional and rural footprint, so that interest is not financially sensitive to the outcome of this waiver. Separately, AJMG's current work is principally council-side, and a meaningful share of it sits in regional and rural New South Wales — within Essential Energy's distribution footprint. We advise councils across New South Wales, Victoria, Queensland and South Australia on kerbside charging strategy, planning integration and procurement readiness, and accordingly have an interest in the continued growth of kerbside charging generally rather than in any particular operator or delivery model.

We offer the views below as informed, disclosed industry experience rather than as a disinterested party, and we are comfortable for this submission to be published in full. We take no position for or against network-led versus contestable delivery of charging. We have worked inside the contestable model and now advise on network-led and council-procured models alike. Our interest is in good delivery, not in any one model prevailing.

Summary position

AJMG does not oppose the waiver. Our comments address Stream 2 of the Plug and Play program — the approximately 300 chargers Essential Energy would install, own and maintain within composite poles, and for which the waiver is required. We read Stream 1, which simply enables existing poles for charge point operators to install and run their own hardware and needs no waiver, as straightforwardly pro-competitive, and we support it. On the facts as we understand them, the Stream 2 proposal is a legitimate, scope-limited way to address a genuine coverage gap in regional and rural NSW, and the operating model preserves the feature that matters most to us: the network installs, owns and maintains the kerbside hardware, but does not sell electricity, set prices or operate the chargers, with the retail service left to a contestable operator. That ownership-and-operation split has a direct precedent in the CitiPower, Powercor and United Energy (CPU) pole-mounted trial in Victoria, which the AER itself uses as the comparator in assessing this application, and we regard it as a reasonable way to serve genuine gaps. A separate NSW and SA trial (PLUS ES) is a further reference point for kerbside pole-mounted deployment in this region, though it turns on metering innovation rather than the ownership model. We note the waiver is sought until 30 June 2033; a horizon of that length makes the end-of-trial discipline discussed below more important, not less.

Our support is conditional, and our consistent lens is delivery quality and transparency rather than a preference for any one model. In particular:

1. **The case for a network-deployment role strengthens as density falls.** It is most defensible in the dispersed regional and rural markets this waiver targets, and weakest where a competitive kerbside market already functions. The waiver should be confined accordingly.
2. **Consumer and competition protection depends on disciplined, transparent site selection.** The hardware should go only to genuinely uncommercial locations, qualified on observable criteria and open to contestable operators on neutral terms.
3. **The council layer should be a defined step, not a general expectation.** This is the enhancement we think is currently undervalued, and the one our experience is best placed to speak to.

We focus below on the questions where our operating and delivery experience adds something the AER may not hear from network or consumer-advocacy submitters. We do not comment on the regulatory-accounting mechanics, which are better addressed by network regulatory economists.

Comments on the AER's assessment

Headings below are organised around the AER's assessment of an EVCI ring-fencing waiver — whether the consumer benefit of the network providing the infrastructure outweighs the impact on competition. Where relevant, our comments speak to the specific questions raised in the AER's consultation paper, including those on site-selection method, cost recovery, reporting and waiver duration.

Opportunities and benefits of network deployment

The deployment friction the program addresses is real, and we have encountered it directly. In dispersed regional and rural markets, the upfront cost and complexity of enabling a public charger — site identification, council engagement, connection, and per-site civil works — routinely defeats the commercial case before a single session is delivered. Packaging the charger into existing or composite streetlight infrastructure, with the network carrying the asset and a retailer or CPO providing the service, is a credible way to collapse that cost and bring coverage forward in places the competitive market is not reaching on its own.

The enduring benefit is not only the poles. It is the site-identification data, the connection-process learnings, and a repeatable, council-integrated method for choosing locations. We would encourage the AER to treat that method as part of the trial's value, and to require Essential Energy to publish suitable sites it identifies even where they are not selected, so the wider market can use them.

Risks to competition, and how to contain them

The principal risk is well understood: consumer or network funds subsidising sites the competitive market would have served, crowding out CPOs, distorting price signals, and leaving assets that are awkward to unwind. We take that risk seriously rather than waving it away.

It is worth recording, for balance, that NSW has a nascent but functioning competitive kerbside market in its denser areas, where individual sites can be commercially viable. Submissions to the comparable Victorian CPU matter recorded over 430 charging ports across more than 340 NSW sites operating under competing operators as at 31 May 2025, as summarised in the AER's reasons for that decision. The implication is not that the gap is illusory, but that it is specific: the binding constraint is coverage of the un-viable regional and rural fringe, not the viable metropolitan core. That is consistent with the program's stated intent, and it is exactly why the confinement and transparency conditions below matter so much.

We also note independent analysis (UNSW Centre for Energy and Environmental Markets — Bjorn Sturmberg, "Fast, fair and future-proof: kerbside charging for the public good", May 2026) finding that some kerbside sites are commercially viable but too few to make kerbside networks commercially profitable overall — reinforcing that the discipline to apply here is in site selection.

Conditions and safeguards we would support

If the AER grants the waiver, we would support conditions along the following lines, several of which mirror those the AER imposed when it granted the comparable CPU waiver in October 2025:

- **Competitive neutrality on access.** Essential Energy should charge itself the same facility and pole-access fees it charges third-party operators, and offer access to the infrastructure on published, non-discriminatory terms.
- **Confinement to genuinely uncommercial sites.** The commerciality-testing methodology used to qualify a site should be published and, ideally, independently reviewed before the program opens. It should rely on observable metrics — utilisation proxies, EV density, proximity to existing or planned commercial charging — rather than self-assessment alone, with provision for independent review of borderline sites.
- **Confinement to end-of-life pole replacement.** Essential Energy proposes to install Stream 2 chargers only where composite poles are already being replaced under its existing asset-replacement program. We support that limitation and would see it made

an explicit waiver condition rather than an application commitment, since it materially reduces stranded-asset risk and keeps the trial within genuinely incremental cost.

- **Machine-readable access and planning data.** Third-party access-request timeframes, site availability and connection data should be published in a form CPOs can actually plan against, not on request only.
- **A clean separation from the energy sale.** The prohibition on the network selling electricity or operating the chargers should be explicit and durable for the life of the waiver, as the proposed model already contemplates.
- **A credible end-of-trial pathway.** At trial end, sites should be re-tested for commerciality and offered to the competitive market before any network replacement of the asset, so the long-term default stays contestable and network ownership is limited to the period of genuine market failure. There is a direct precedent: in granting the CPU waiver, the AER required that at trial end the network either uninstall the chargers, offer the chargers and sites to contestable providers, or apply for a further waiver. We would support an equivalent condition here — which, given the waiver is sought to 2033, is especially warranted.

Site selection and the council layer

This is the contribution our experience is best placed to make. Most public AC kerbside charging deployed to date in regional and rural NSW — and in underserved areas nationally — has been government-funded and council-enabled. Councils control the kerb, the planning pathway, streetscape and asset considerations, and a large share of community acceptance. Site identification will be materially stronger, and far less likely to produce stranded or contested assets, where it draws on council kerbside strategies and local place knowledge. The proposal already contemplates consulting regional councils on siting; the opportunity is to convert that expectation into a defined step.

We suggest the waiver conditions, or the program guidelines, require Essential Energy's site-selection proposal to demonstrate engagement with any applicable council kerbside charging strategy before sites are finalised. Many regional NSW councils are now developing exactly this material. Connecting it to the site-identification step is a small coordination cost that should improve site quality, reduce planning and community friction, and lower the risk of stranded assets that would otherwise fall back on the network or its customers.

Trial data, reporting and end of asset life

We support transparent, periodic public reporting of trial learnings and charger performance, and clear notification to the AER of that publication. As a specific measure that disciplines site selection after the fact, we suggest the program report at trial end on the share of network-deployed sites subsequently found commercially viable on re-testing. A high share would be a signal that the confinement criteria were too loose; reporting it keeps the program honest and builds public confidence in the consumer-protection settings.

Relationship to the broader reform agenda

We are conscious that the larger, contested question — the enduring role of distribution networks in owning EV charging infrastructure, and the future of the ring-fencing framework itself — is being worked through separately, including in Package 1 of the Electricity Network Regulation Review, which the AEMC formally commenced on 25 June 2026 with its first consultation paper open for submissions to 23 July 2026. AJMG has deliberately not taken a side in that structural debate, and we are not doing so here.

Our comments are confined to this specific, time-bound trial waiver and the conditions that would make it a well-run trial. We would encourage the AER to treat the waiver the same way: as a controlled, gap-targeted experiment that should inform the enduring market-design question rather than pre-empt it. We intend to engage on the enduring question in the forum designed for it, including the AEMC's Package 1 process.

Closing

AJMG does not oppose the waiver, subject to the site-selection transparency measures and the council-integration step set out above. We would be glad to provide further detail on any point, or council-side case material from our current regional NSW engagements as it accumulates.

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