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Essential Energy Ring-fencing waiver – Kerbside electric vehicle charging infrastructure

Endeavour Energy appreciate the opportunity to provide this response to the Australian Energy Regulator's (AER) [Consultation paper on Essential Energy's ring-fencing waiver for electric vehicle charging infrastructure \(EVCI\)](#).

Endeavour Energy manages the electricity distribution network servicing 2.8 million people in homes and businesses in Australia's fastest growing regions. These include Sydney's Greater West - which is growing 40 percent faster than Sydney, with rapid population growth and more than \$50 billion of infrastructure such as Australia's first new sustainable city in 100 years, and a new international airport - to the Blue Mountains, the Southern Highlands, the Illawarra and South Coast of NSW.

The AER's Consultation Paper seeks feedback on Essential Energy's ring-fencing waiver application for its proposed, ARENA-funded, 'Plug and Play' trial (the **Trial**). The Trial will enable Essential Energy to install, maintain and lease 300 kerbside electric vehicle (EV) chargers in regional NSW under a model where the charger and metering are embedded within the network asset (i.e. a recessed charging port within composite streetlight and distribution poles). A ring-fencing waiver is needed to enable Essential Energy to lease the EV charging infrastructure within the composite pole to charge point operators (CPOs), and to use its staff to maintain the equipment for the duration of the waiver.

The Trial addresses a genuine market gap - by installing and leasing charging infrastructure in areas where there is traditionally insufficient commercial interest, regional communities gain increased accessibility to sustainable transport solutions. We are therefore supportive of the ring-fencing waiver as it is a prerequisite for undertaking the trial. More broadly, insights and learnings from the Trial will contribute to industry knowledge and will benefit the long-term interest of all consumers by building an empirical database around EV and EVCI that can be beneficial to other distribution network service providers (DNSPs), CPOs, and other market participants to help build a sustainable, effective and competitive EV market.

The Plug and Play Trial address a market coordination failure

There is a persistent 'chicken-and-egg' coordination problem in deploying kerbside EV charging infrastructure. This issue is exacerbated in regional areas which face steeper barriers for commercial entry due to the combination of high capital investment and low utilisation due to lower population density. The reluctance from the commercial sector to invest in infrastructure in regional communities means consumers remain hesitant to switch to EVs, thereby reinforcing the negative feedback loop.

Enabling these outcomes requires fundamental changes to the way we generate and use electricity. The take-up of EVs is key to the energy transition and meeting the NSW Government's Net Zero Future emissions reductions targets. AEMO's 2026 Integrated System Plan forecasts 80% of all vehicles will be battery EVs by 2050 under its most likely 'Step Change' scenario, and notes that more investment is needed in workplace, kerbside, commuter carpark and on-road charging through the distribution network.¹ It requires new technology, investment and infrastructure and policy and regulatory reform, delivered quickly.

More broadly, all consumers stand to benefit from EV ownership and electrification through improved network utilisation. To the extent that EV charging takes place outside of peak times, the operation of the revenue cap means that more EVs on the road will increase electricity consumption and better utilisation of the existing capacity within distribution networks. This puts downward pressure on unit network costs, which should therefore reduce electricity bills for consumers, whether or not they are EV owners.

A key barrier to EV uptake is the accessibility and availability of EVCI. While there have been programs and initiatives to support kerbside charging deployment, there has been limited evidence of a viable commercial market being built up. Charging options remain limited for those who are unable to install their own private EV chargers due to a lack of off-street parking, rental agreements or strata restrictions, particularly in areas where overall EV uptake is low. These challenges were also highlighted in a recent behavioural study prepared by RedBridge Group for Endeavour Energy in 2025 regarding customer impediments to purchasing an EV, which found that:

- 30 per cent of customers in Western Sydney are open to purchasing an EV for their next vehicle (in line with the national average); but
- Hesitant customers (i.e., those not likely to purchase an EV as their next vehicle) highlighted inadequate public charging options as one of their main reasons for not purchasing an EV.

When asked specifically about the statement “There are not enough charging stations to support EV ownership”, respondents overwhelmingly agreed with the statement. Similarly, EV hesitant consumers would be more likely to purchase an EV if there were to be more convenient and easily accessible public charging infrastructure.

We believe the Trial is a step towards improving market outcomes by addressing the coordination failure in regional areas, which to date, have limited commercial investment and are unlikely to be delivered at scale, while preserving full contestability of retail services. The trial will help lower upfront capital costs where commercial investment has not emerged, thereby reducing barriers to entry for market participants, which in our view, means that the trial complements and does not replace the competitive market.

Importantly, we note that the Trial provides infrastructure only and all contestable services is retained by CPOs and retailers. This is a time-bound, reversible intervention that is designed to transition to full commercial delivery over time.

The expected Trial objectives are consistent with the National Electricity Objective (NEO)

The Trial seeks to bridge existing infrastructure gaps in regional areas where there are limited market presence and minimal private investment by commercial CPOs. This delivers direct benefits to regional communities by improving access to public EV charging and reducing barriers to EV adoption which contribute to the improvement of price, quality, safety, reliability and security of electricity supply for current and future EV customers.

Decarbonisation of the transport system is central to the Commonwealth and NSW Governments' net zero target. EV uptake is a key lever that enables emissions reduction in the sector. By improving EV adoption, the Trial improves regional EV communities' participation in electrification and emissions reduction. The Trial is consistent with the Commonwealth and NSW Governments' initiatives that aim to make EV

¹ AEMO, [2026 Integrated System Plan for the National Electricity Market, A roadmap for the energy transition](#), June 2026, p41

ownership more convenient, accessible and reliable for all drivers, including programs that provide targeted funding to support the rollout of public charging stations across blackspots across NSW.

Importantly, the Trial's focus on regional areas will help promote greater regional consumer outcomes and equity objectives by addressing an infrastructure gap in regional communities. Improving regional accessibility to EVCI contributes to increased confidence in EV adoption, helps current and future EV drivers overcome range anxiety, and improves connectivity between metropolitan and regional areas. Taken together, these outcomes are consistent with the National Electricity Objective because they promote the long-term interests of consumers by supporting efficient investment in electricity services, improving the quality, reliability and security of supply for current and future EV users, facilitating lower-cost electrification and contributing to emissions reduction in a way that preserves competition in contestable services.

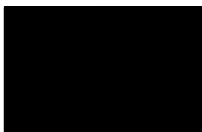
The expected learnings from the trial will help support a faster, more equitable and lower cost rollout of EVCI across NSW to accelerate the transition to EVs

We value the two-stream design of the Trial as it enables an assessment of the extent to which infrastructure enablement alone or targeted shared infrastructure helps overcome coordination constraints and unlock market participation, particularly in persistently thin markets such as regional areas. This will provide practical insights on the rollout of EVCI, infrastructure performance and utilisation, delivery models and commercial viability thresholds, thereby supporting greater market participation and rollout of EVCI across the nation.

Additionally, we support Essential Energy's commitment to transparency and open sharing of learnings with other DNSPs, CPOs and other market bodies to build the evidence base on EV and inform future market development and regulatory, policy and commercial decision making. Learnings from the Trial will complement other ongoing EVCI trials for which the AER has granted trial waivers, including [CitiPower, Powercor, and United Energy's EVCI trial](#) and [PLUS ES' trial](#) for an innovative metering solution for kerbside EV chargers. All these combined help inform future studies, trials and programs to help reach Governments' targets for net zero, provide insights on how to best foster a sustainable and competitive EV charging ecosystem, and more broadly, deliver significant long-term benefits to all consumers.

If you wish to discuss our submission further, please contact Shirley Dang, Principal Policy Advisor, via email at [REDACTED]

Yours sincerely



Francoise Merit
Chief Financial Officer