14 July 2026

Ms Stephanie Jolly
Executive General Manager, Consumer, Policy and Markets Division
Australian Energy Regulator
GPO Box 520
Melbourne VIC 3001

Dear Ms Jolly

RE: Ring-fencing waiver application for an EV charging infrastructure trial from Essential Energy – Consultation Paper

Origin Energy (Origin) appreciates the opportunity to provide a submission to the Australian Energy Regulator's (AER) consultation paper on Essential Energy's ring-fencing waiver application for its EV charging infrastructure (EVCI) trial.

Origin supports the objective of improving EV charging availability in regional and remote NSW and recognises the value of testing alternative deployment models.

However, the key issue is not whether additional EVCI is beneficial, but whether DNSP ownership of that infrastructure is necessary. Essential Energy has not demonstrated that a genuine market gap exists that cannot be addressed through less intrusive, market-led measures. While the proposed trial may generate useful insights, it is unlikely to provide a sufficiently controlled comparison to determine whether any observed benefits result from DNSP ownership or from Essential Energy's broader advantages as the DNSP, including its control of network assets, planning information and connection processes.

The AER should therefore exercise caution before permitting a regulated monopoly DNSP to own and lease assets in a contestable market. Although the immediate competition impacts may be limited, the trial could establish a precedent for broader DNSP participation in EV charging, with implications for competition, innovation and future private investment.

If the AER grants a waiver, it should be limited in scope and duration and subject to robust ring-fencing, competitive neutrality, cost-allocation, transparency and reporting requirements. Any approval should be clearly limited to a trial and should not be used to justify broader DNSP ownership of EVCI.

Our response to stakeholder questions is provided at Attachment A.

If you have any questions regarding this submission, please contact Gary Davies in the first instance at [redacted]

Yours sincerely

[redacted]

Sean Greenup
Group Manager Regulatory Policy
[redacted]

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Question 1:

Essential Energy states its trial aims to test whether a DNSP-led kerbside EV charging infrastructure roll-out, leveraging its existing maintenance staff and composite pole assets, can benefit the EV charging market in regional NSW. What are your views on the proposed trial design, its stated objectives, and its alignment with the NEO (i.e. promoting the long-term interest of customers)? Please provide examples or evidence to support your view.

Origin supports efforts to accelerate EV adoption and improve access to charging infrastructure in regional and remote areas where commercial deployment may be more challenging.

However, the AER should distinguish between the benefits of increasing EVCI and the benefits of allowing a DNSP to own that infrastructure. While the trial may improve access to charging services and generate useful information on regional charging demand and deployment barriers, Essential Energy has not demonstrated that DNSP ownership, installation and maintenance of chargers is necessary to achieve these outcomes. The existence of charging gaps alone does not justify ownership of charging assets by a regulated monopoly business.

The proposed two-stream approach may provide useful evidence on the effectiveness of different deployment models. However, it is not clear that the trial will provide a sufficiently controlled comparison to determine whether DNSP ownership is required. Differences in outcomes may reflect factors other than ownership, including site selection, deployment costs, access to network information, project delivery capabilities, connection processes and risk allocation. In addition, while Essential Energy has undertaken stakeholder engagement and market scanning, the evidence does not demonstrate that competitive providers are unable or unwilling to invest.

Consistent with the National Electricity Objective (NEO), the AER needs to be satisfied that any waiver promotes the long-term interests of consumers by addressing a genuine and persistent market gap that cannot be met through competitive, market-led solutions. Any short-term benefits from increased charging availability should be balanced against the longer-term risks to competition, innovation and efficient investment. Any waiver should be supported by clear evidence that DNSP ownership delivers net customer benefits that would not otherwise be achieved.

Question 2:

What are your views on the practical insights and learnings that Essential Energy states can be gained – which include learnings on EV purchasing behaviours and adoption, infrastructure utilisation, and conditions required for commercially viable market delivery in regional areas. Do you agree these learnings are beneficial for the industry and customers? Why or why not?

Origin agrees that information on EV adoption patterns, charging utilisation, customer behaviour and commercial viability in regional areas would be valuable for industry participants, governments and regulators. These insights could help inform future charging infrastructure deployment, tariff design and broader electrification policy.

However, the value of these learnings does not justify DNSP ownership of charging assets. Similar information could be obtained through alternative models that rely on competitive ownership and operation of charging infrastructure, while preserving the separation between regulated monopoly network services and contestable markets.

The key question is not whether the trial will generate useful information, but whether DNSP ownership of charging infrastructure is necessary to obtain those insights and deliver the intended customer benefits.

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Question 3:

What are your views on Essential Energy's statement that its two-stream trial (for which this waiver would enable 'stream 2') represents a "controlled comparison to assess whether infrastructure enablement alone is sufficient, or whether targeted shared infrastructure is required to overcome coordination constraints in persistently thin market"?

Origin agrees that the proposed two-stream approach may provide useful evidence on whether network facilitation alone is sufficient to support EV charging deployment in regional and remote areas.

However, we are not convinced that the proposed design represents a fully controlled comparison of ownership models. Differences in outcomes between the two streams may be influenced by factors other than ownership, including site selection, local demand, timing of deployment, funding arrangements, access to network information, project delivery capabilities, connection processes and the allocation of commercial risks between parties. As the network owner, Essential Energy also possesses advantages relating to network planning, asset replacement programs and access to information that may not be available to other market participants.

The onus is on Essential Energy to demonstrate that any differences in deployment outcomes, utilisation or commercial viability are attributable to the ownership model rather than other factors. Details on site selection, procurement outcomes, utilisation, costs, revenues and comparative performance across the two streams will be necessary to enable this assessment.

Given the trial's limited scale and regional focus, the findings should be interpreted with caution. The trial is intended to test whether DNSP ownership delivers benefits beyond a market-led approach, not to endorse DNSP ownership. Accordingly, ARENA's funding of both streams should not be interpreted as supporting DNSP ownership, and the AER should not draw broader conclusions unless there is clear evidence that market-led alternatives cannot deliver efficient outcomes.

Question 4:

What are your views on the proposed cost-recovery method for the trial, which involves Essential Energy recovering its full costs, benchmarked against market rates, from the charge point operator that leases its EV charging infrastructure? Do you believe there are potential risks of cross-subsidisation under this model?

Origin supports the principle that all costs associated with contestable EV charging activities should be recovered from charge point operators (CPOs) and not from regulated electricity customers. Any waiver should ensure that customers do not bear costs associated with activities that would ordinarily be provided through a competitive market.

While Essential Energy proposes to recover its costs through lease payments from CPOs, there remains a risk of cross-subsidisation if regulated assets, staff or other network resources are used to support the trial. These risks can only be managed through robust cost allocation arrangements.

Accordingly, the AER should require clear cost-allocation methodologies, accounting separation and independent auditing to demonstrate that all direct and indirect costs are appropriately allocated and recovered. Full transparency regarding capital costs, operating costs, lease revenues, cost allocation assumptions and cost recovery outcomes should also be required to provide confidence that regulated customers are not subsidising contestable EV charging activities.

Question 5:

Essential Energy states it intends to offer sites or 'site bundles' to eligible providers who would be assessed against a set of selection criteria (including capability, delivery approach, and alignment with trial objectives). What are your views on the proposed procurement / tendering process for making sites and 'site bundles' available to third-party charge point operators to operate the chargers? To what extent might there be potential discrimination or competition concerns associated with the proposed process, and how might these be addressed?

Origin supports the use of a competitive procurement process rather than direct allocation of sites, as this is more likely to promote competition, encourage participation from a range of CPOs and support efficient outcomes for customers.

However, the procurement process should be transparent, objective and non-discriminatory. Essential Energy should publish clear eligibility criteria, assessment methodologies, evaluation outcomes and the reasons for selecting successful participants. This information is important to provide confidence that sites are being allocated fairly and that no participant receives an undue advantage.

There is also a risk that Essential Energy may possess information advantages relating to site selection, network constraints, future infrastructure plans, customer demand forecasts or asset replacement programs that are not available to all market participants. These advantages could influence procurement outcomes and create barriers to competition.

To minimise these risks, the AER should require appropriate governance, transparency and independent oversight of the procurement process to ensure the trial is conducted fairly and does not distort competition. Consideration should also be given to publishing information on available sites, selection criteria, tender participation and tender outcomes to ensure all interested parties have access to the same information and opportunities.

Question 6:

What are your views on Essential Energy's proposed method of selecting the composite poles for installing its EV chargers – that is, for the chargers to be sited in locations where composite poles are being replaced as part of its asset replacement program?

Origin agrees that leveraging composite poles already scheduled for replacement may reduce deployment costs, minimise installation complexity and improve the efficiency of trial delivery. However, infrastructure replacement schedules should not become the primary determinant of charger location. The objective of the trial is to assess the role of EVCI in supporting EV adoption and addressing gaps in charging availability, not to maximise the utilisation of network asset replacement programs. Site selection should therefore be driven primarily by factors such as customer demand, charging need, utilisation potential, accessibility and broader public benefit. Locations should also be selected to address genuine gaps in charging infrastructure that are unlikely to be served through commercial investment.

Essential Energy should be required to clearly document and report on the rationale for site selection, including how customer and market needs were considered alongside network considerations.

Question 7:

What do you think the impact of Essential Energy's trial on market competition might be, given its trial will be contained to remote NSW within its distribution area? Do you believe the mitigations that Essential Energy has proposed (i.e. targeting unmet need, not reserving sites with commercial plans, and prioritising facilitation of third-party connections) will avoid harm to competition?

Origin acknowledges that the regional and remote focus of the trial reduces immediate competition concerns, as it targets locations where commercial deployment is more challenging. However, competition risks remain because the waiver could establish a precedent for DNSP ownership of EVCI in a contestable market. If successful, the trial may be used to justify broader DNSP participation, including in locations where competitive market provision is viable.

Origin supports Essential Energy's proposed mitigations, including targeting unmet need, avoiding sites with existing commercial deployment plans, and prioritising third-party connections. While these measures should reduce some competition risks, they may not fully address the potential for crowding out future private investment. This is particularly relevant where Essential Energy can leverage advantages such as ownership of network assets, access to network planning information and control of connection processes. In addition, locations that are uneconomic today may become commercially viable as EV adoption increases.

If the waiver is granted, it should be supported by robust ring-fencing, transparency and reporting requirements to ensure the trial remains targeted at genuine market gaps and does not discourage efficient private investment.

Question 8:

What are your views on Essential Energy's contention that public EV charging in regional and remote areas is underdeveloped?

Origin acknowledges that public EVCI is currently less developed in many regional and remote areas than in metropolitan centres. However, lower deployment levels do not, by themselves, demonstrate a market failure or justify DNSP ownership of charging infrastructure. They may instead reflect the early stage of EV adoption and/or network-related factors, such as approval and connection processes or timeframes.

While Essential Energy has identified a range of potential barriers to commercial deployment, there is limited evidence that competitive market solutions have been fully explored or that the market has been given a sufficient opportunity to respond. Essential Energy does not clearly demonstrate that alternative approaches, such as improved market facilitation, streamlined connection processes, site leasing arrangements, targeted government support or competitive procurement models, would be insufficient to support deployment.

We consider that the AER should be satisfied that a genuine and persistent market gap exists before allowing a regulated monopoly business to own and lease EVCI in a contestable market. The threshold for intervention should be particularly high where the proposed solution involves ownership of assets that would ordinarily be provided through competitive markets.

Question 9:

What are your views on the proposed model, with third-party ownership and operation of DNSP-owned, embedded EV charging infrastructure assets? What are your views on the potential role of this business model in the EV charging market?

The question refers to '…third-party ownership and operation of DNSP-owned, embedded EV charging infrastructure assets.' Our understanding is that Essential Energy proposes to own the EVCI[1] – there is no reference in the waiver application or consultation paper to third parties owning the EVCI. Our response is based on DNSP ownership of EVCI.

Origin acknowledges that the proposed model may support deployment in some regional and remote locations by reducing upfront costs and operational responsibilities for CPOs. However, these potential benefits do not demonstrate that DNSP ownership of charging infrastructure is necessary.

Ownership of EV charging infrastructure should remain a competitive activity wherever possible. Essential Energy has not demonstrated that DNSP ownership is the most efficient solution or that market-led alternatives, such as improved connection processes, access to suitable sites, targeted government funding or competitive procurement models, have been exhausted.

While the direct competition impacts of this trial may be limited, the proposed model could establish a precedent for broader DNSP participation in a contestable market. This may discourage future private

[1] AER, Ring-fencing waiver application for an EV charging infrastructure trial from Essential Energy – Consultation Paper, June 2026, p. 1.

investment if market participants perceive that DNSPs can leverage advantages associated with their regulated role, including ownership of network assets, access to network information and control of connection processes.

The trial is also unlikely to conclusively demonstrate that DNSP ownership delivers superior outcomes. If the model proves successful, this may simply reflect lower capital costs and reduced commercial risk rather than the benefits of DNSP ownership itself.

For these reasons, any departure from competitive ownership should be limited to circumstances where there is clear evidence of a persistent market failure that cannot be addressed through less intrusive, market-led solutions.

Question 10:

What are your views on the proposed waiver duration of up to 30 June 2033 (approx. 7 years), which is beyond the ARENA funding agreement end date of July 2028? Essential Energy states this is to facilitate time for full infrastructure deployment, a meaningful period of operation and data collection, and reporting and knowledge-sharing of trial learnings.

Origin agrees that any waiver should be no broader or longer than reasonably necessary to achieve its stated objectives. While sufficient time is needed for infrastructure deployment, operation and data collection, a waiver extending to 2033 appears lengthy given the rapidly evolving nature of the EV charging market.

EV adoption, charging technology and commercial business models are expected to change significantly over this period, potentially reducing the need for DNSP involvement. The AER should therefore ensure the duration of any waiver remains proportionate to the objectives of the trial and does not unnecessarily extend DNSP participation in a contestable market.

If a waiver is granted, Origin supports periodic reviews or interim assessments to evaluate deployment progress, utilisation, competition impacts and whether the original rationale for the waiver remains valid. Any continuation beyond the initial trial period should be supported by evidence that the waiver remains necessary and continues to deliver benefits that cannot be achieved through market-led alternatives.

Question 11:

What are your views on the information, data and learnings that Essential Energy's trial should generate and share to support broader industry development and inform future policy and regulatory decisions? If the waiver is granted, are there particular reporting requirements or waiver conditions the AER should impose—for example, on charger installation and deployment progress, site selection criteria, tender outcomes, and the format and frequency of commercial, technical and performance reporting?

If the waiver is granted, Origin supports conditions requiring regular public reporting on site selection, procurement outcomes, deployment progress, utilisation, competition impacts, cost recovery arrangements, and comparative outcomes between Stream 1 and Stream 2. These reporting requirements should be designed to ensure the trial generates robust evidence that can inform future policy and regulatory decisions regarding the role of DNSPs in EVCI.

Essential Energy should be required to publicly report on:

- How sites were selected and why they were considered to have an unmet charging need.
- Tender outcomes, including market interest, participating and successful CPOs, and sites not taken up by the market.
- Deployment progress, charger utilisation, reliability and customer usage.
- Costs, revenues, lease arrangements and measures to prevent cross-subsidisation.

- Competition impacts, including market participation, private investment and whether the trial supported or displaced competitive market development.
- A comparison of Stream 1 and Stream 2 outcomes, including deployment, utilisation and commercial viability, to assess whether DNSP ownership delivered benefits beyond a market-facilitation approach.

Origin also supports annual public reporting and a final trial evaluation report that consolidates key findings and lessons learned. These requirements would be consistent with the transparency and knowledge-sharing obligations imposed by the AER in previous EV charging waiver decisions and would maximise the value of the trial for industry participants, policymakers and consumers.