AUSTRALIAN ENERGY REGULATOR

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7 September 2026

Matthew Serpell
Electricity Regulation Manager
Jemena Electricity Networks (Vic) Ltd

Sent by email to: [redacted]

Dear Mr Serpell,

Re: Jemena's ring-fencing waiver application for pole leasing services for electric vehicle charging infrastructure

I am writing to inform you that on 7 September 2026, the AER granted Jemena Electricity Services Pty Ltd (Jemena) a waiver to obligations under clauses 4.2.1, 4.2.2 and 4.2.3 of the Ring-fencing Guideline (electricity distribution) ('the guideline') until 30 June 2031. This waiver is to allow Jemena to provide pole leasing services for electric vehicle charging infrastructure (EVCI).

Jemena's application

On 3 July 2026, Jemena applied to the AER for a ring-fencing waiver for the provision of distribution asset rental services for EVCI. Jemena sought a waiver from obligations under clauses 4.2.1, 4.2.2 and 4.2.3 of the guideline so it could use existing staff, offices, systems and customer-facing channels to provide the service. Jemena proposed that the waiver be granted until 30 June 2031, aligning with the coming Victorian regulatory control period.

The service involves leasing Jemena-owned distribution assets, primarily poles, to third parties for the installation of EVCI. Jemena would continue to own, operate and maintain the distribution assets, while third parties would own and operate the charging infrastructure. Jemena submitted that only it could provide the service using its distribution assets and that, without a waiver, it would need separate staff, offices and systems to comply with the guideline's functional separation obligations. Granting the waiver would avoid the associated duplication costs.

AER assessment and decision

The AER considers granting this waiver aligns with the principles of the NEO, as it will promote efficient investment in, and efficient operation and use of, electricity services for the long-term interests of consumers with respect to price, quality, safety, reliability and security of supply, while supporting broader electrification objectives. Granting the waiver promotes efficiency by allowing Jemena to provide the service using existing staff and systems with expertise in network asset management and safety, while avoiding the costs associated with establishing separate ring-fenced arrangements. The waiver may also support the rollout of EVCI by supporting the efficient provision of the asset rental service to third parties.

Without the waiver, Jemena would be required to establish and maintain separate staff, offices, branding and systems to provide the service through a functionally separated business. The resulting compliance costs could be reflected in the price charged to third parties and, potentially, in EV charging costs.
We consider that granting this waiver to Jemena will have minimal, if any, impact on competition, noting that providing access to Jemena's distribution poles can only be undertaken by Jemena as the network owner and operator. The risk of cross-subsidisation appears low because the service is subject to negotiated service arrangements, fair and reasonable pricing principles, cost allocation requirements and dispute resolution processes. We also note that granting a waiver from the functional separation requirements does not waive the substantive non-discrimination obligation in clause 4.1 of the guideline. Jemena remains subject to those obligations.

Given this, our decision is to grant Jemena a ring-fencing waiver until 30 June 2031 from obligations under clauses 4.2.1, 4.2.2 and 4.2.3 of the guideline, to allow it to provide pole leasing services for EVCI.

Waiver duration

Under the guideline, the AER may set waiver durations on a case-by-case basis without a maximum term, including beyond the next regulatory control period where appropriate. The AER has decided that the waiver will expire on 30 June 2031, aligning with the regulatory control period for which the service is classified as a negotiated distribution service. The AEMC's Electricity Network Regulation Review and the AER's ongoing ring-fencing guideline review may affect the future regulatory treatment of pole leasing for EVCI.

Compliance and review matters

Jemena is reminded that, under clause 6.3 of the guideline, Jemena must notify the AER in writing within 15 days of becoming aware of a breach of its obligations under the guideline.

If you would like to discuss this matter further, or have any questions, please contact Laura Considine, Director of Ring-fencing, at [redacted] in the first instance.

Yours sincerely

[redacted]

Jarrod Ball
AER Board Member

Sent by email on: 07.09.2026