AUSTRALIAN ENERGY REGULATOR

Contact Officer: Laura Considine
[redacted]

29 October 2026

Hilary Priest
Head of Regulation
Essential Energy

Sent by email to: [redacted]

Dear Ms Priest

**Re: Essential Energy ring-fencing waiver application for the Plug and Play trial**

Thank you for Essential Energy's application, received on 20 April 2026, that seeks a waiver from the obligations in clauses 3.1(b), 4.2.1, 4.2.2 and 4.2.3 of the Ring-fencing Guideline (electricity distribution) (the guideline). This waiver is to allow Essential Energy to conduct a time-bound trial of EV charging infrastructure embedded within composite streetlight columns in regional NSW.

**Essential Energy's proposal**

Essential Energy sought a waiver to enable it to install, own, maintain and lease electric vehicle (EV) charging infrastructure embedded in composite streetlight columns across Essential Energy's distribution area. Essential Energy states that the proposal forms stream 2 of its ARENA-funded Plug and Play trial and that a ring-fencing waiver is required for this part of the trial to proceed.

Essential Energy provided two further submissions in support of its initial application:

- a response to stakeholder and AER questions, received on 2 July 2026; and
- a submission in response to the AER's consultation paper on Essential Energy's waiver application, received on 10 July 2026.

Essential Energy proposes to install 300 public EV chargers embedded within composite streetlight columns across its distribution area in regional New South Wales. Deployment would focus on locations supplied by underground electricity networks where conventional pole-mounted deployment is unavailable or unsuitable, and where poles are due for replacement under Essential Energy's existing asset replacement program.

Essential Energy's role would be limited to owning, installing and maintaining the infrastructure, responding to faults and leasing access to the chargers. Charge point operators and retailers that lease access to the chargers would be responsible for providing retail charging services, including pricing, billing, branding and customer engagement. Essential Energy requested that the waiver commence upon approval by the AER and expire on 30 June 2033.

## AER assessment and decision

Under clause 5.3.2 of the guideline, to assess a waiver the AER must have regard to the National Electricity Objective (NEO), the potential for a distribution network to engage in cross-subsidisation of services and discriminatory behaviour, and whether the costs of compliance with the guideline outweigh the benefit to consumers of that compliance, including in relation to impacts on competition.

We have published an explanation of our assessment against these criteria and the reasons for our decision to grant Essential Energy a waiver on the AER's website.

The AER's decision is to grant a waiver with conditions from clauses 3.1(b), 4.2.1, 4.2.2 and 4.2.3 of the guideline, to allow Essential Energy to conduct a time-bound trial of EV charging infrastructure embedded within composite streetlight columns. This is to enable Essential Energy's delivery of stream 2 of its ARENA-funded Plug and Play trial. We consider that the risks associated with granting the waiver are manageable in light of the potential benefits. These benefits include the opportunity to test a new technical and commercial model for EV charging services, generate evidence on consumer demand and use cases for regional AC kerbside chargers, support more efficient use of distribution assets and network capacity, and inform future policy and regulatory decisions. On balance, the AER is satisfied that granting this waiver, subject to conditions, is in the long-term interests of consumers.

This waiver will expire on 31 October 2029, unless varied or revoked sooner. This expiry date aligns the waiver with the ARENA-funded trial and reporting period.

## Waiver conditions and duration

To limit the potential competition risks associated with Essential Energy's waiver, the AER has imposed the conditions below, which are also contained in the decision that we have published.

1. Allow Essential Energy to install, maintain, and enable third-party access to, up to 300 in-asset EV chargers embedded within select composite streetlight columns it will install as part of its asset replacement program, in fulfilment of its obligations under stream 2 of its ARENA-funded 'Plug and Play' trial.

   Essential Energy must maintain on its website a publicly accessible and current register of chargers installed under stream 2. For each charger, the register must state the site address, charge point operator (CPO) responsible for operating the charger, rated charging capacity, energised date and whether dedicated parking is available or proposed.

   Where published online, the register must include a link to the CPO's or third-party service's current customer-facing information for that charger.
2. Within one month of stream 2 charger site tender processes concluding, Essential Energy must publish and maintain on its website, and notify the AER where it has published:
   a) the stream 2 CPO selection criteria, a summary of tender outcomes, and aggregated and de-identified information regarding the number, nature and status or outcome of any grievances about the CPO selection process; and
   b) a map showing the suitable stream 2 sites made available through the tender processes, identifying awarded and unawarded sites.

Essential Energy may satisfy this condition by publishing, incorporating or linking to information already published online for the ARENA trial or through an existing Essential Energy mapping tool, provided the information addresses the requirements above. Any required information not published in reports to ARENA must also be published. It must notify the AER of its publication, where the information has been published, and updates about any material changes to the register.

3. Within one month of all stream 2 charger site tender processes concluding, Essential Energy must publish and maintain on its website the applicable charger lease fee structure, the methodology, and principal cost inputs used to determine them.
4. By the conclusion of the waiver, Essential Energy must elect to undertake one of the following options:
   a) seek a new ring-fencing waiver or seek an extension of the existing waiver from the AER to continue maintaining and leasing the EVCI; or
   b) offer any EVCI that remains operational to contestable providers (for example, via competitive tender process), including access to the established charging site (subject to any applicable pole access rental charge and jurisdictional obligations); or
   c) uninstall or disable any EVCI that remains operational.
5. By 30 April each year, Essential Energy must publish a report on the trial's financial performance for the previous calendar year, including revenues and the capital, operating and maintenance costs of the stream 2 embedded EV chargers. The report must be provided in a downloadable tabular format and contain enough information to allow the public to understand the costs of delivering the chargers. Essential Energy may satisfy this condition by publishing, incorporating or linking to information already published online for the ARENA trial, provided the information addresses the requirements above. Any required information not published in reports to ARENA must also be published.

   By the same date, Essential Energy must provide the AER with an audited financial report that:
   a) includes the information above and any other information necessary to verify the published information required by condition 3;
   b) explains, consistent with clause 3.2.2 of the Ring-fencing Guideline and Essential Energy's cost allocation methodology, how shared pole costs have been allocated between public lighting and EV charging; and
   c) demonstrates that trial costs, including operating, maintenance, replacement, continuation and end-of-life costs, have not been recovered through regulated network charges or included in the regulated asset base.

   Information may be withheld from the public report and provided confidentially to the AER only in accordance with the AER's Confidentiality Guideline[1].
6. By 30 April each year, Essential Energy must publish on its website, and notify the AER of its publication, the following information for the previous calendar year:
   a) for each charger on an annual basis, energy delivered, operational performance data that is held by Essential Energy — including outage frequency, type of faults,

[1] AER, Confidentiality Guideline, 2017, accessed October 2026.

maintenance response and resolution timeframe — and, where available, average range of end-user charging prices across its stream 2 chargers;

b) a summary of material network impacts identified that is reasonably attributable to the stream 2 chargers; and

c) timeframes for installation on the pole and energised (ready for use by EV customers) for Essential Energy's chargers and comparable third-party-owned chargers on a like-for-like basis, with identified start and end points of the milestones.

Quantitative data must be provided in a downloadable tabular format. Essential Energy may satisfy this condition by incorporating or linking to information already published online for the ARENA trial, provided they meet these requirements, and must publish separately on its website any required information not covered by those reports.

**Compliance and review matters**

The AER has broad discretion to review and revoke ring-fencing waivers that it grants, at any time on its own initiative if there are grounds to do so. Pursuant to section 5.5 of the guideline, in deciding whether to vary or revoke the waiver, the AER will have regard to the same matters for granting the waiver under clause 5.3.2 of the guideline.

A minimum of 40 days' notice will be given to Essential Energy that the AER is considering a variation or revocation of this waiver.

We also remind Essential Energy that under clause 6.3. of the guideline, Essential Energy is required to 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 Ring-Fencing, on [redacted] in the first instance.

Yours sincerely

[redacted]

Jarrod Ball
Board Member

Sent by email on: 29.10.2026