Australian Government

AUSTRALIAN ENERGY REGULATOR

Reasons for decision

Essential Energy - Ring-fencing waiver for the Plug and Play EV charging infrastructure trial

29 October 2026

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1 Executive Summary

On 20 April 2026 Essential Energy applied for a ring-fencing waiver to undertake stream 2 of its ARENA-funded Plug and Play trial. It proposes to install, own, maintain and lease 300 electric vehicle (EV) chargers embedded within composite streetlight columns in regional NSW, principally in locations supplied by underground networks where conventional pole-mounted deployment is unavailable or unsuitable. Charge Point Operators (CPOs) would provide retail charging services. Essential Energy sought a waiver from clauses 3.1(b), 4.2.1, 4.2.2 and 4.2.3 of the Ring-fencing Guideline (electricity distribution) ('the guideline').

The AER has decided to grant a waiver from those obligations, subject to conditions, until 31 October 2029 unless varied or revoked sooner. In reaching its decision, the AER had regard to the National Electricity Objective, the potential for cross-subsidisation and discrimination, and the benefits to consumers and costs to Essential Energy of compliance with the relevant obligations. The AER also considered stakeholder submissions and other relevant matters.

The AER has not concluded that regional EV charging presents a market failure or that Essential Energy's model is more efficient than market-led alternatives. The waiver enables a constrained trial of a different technical and commercial model to the conventional, externally-mounted EV chargers. The AER considers the trial will contribute to the achievement of the National Electricity Objective by testing whether embedded charging infrastructure can make more efficient use of distribution assets and available network capacity, improve access to public charging and reduce deployment barriers without displacing market-led investment. These are matters to be tested, rather than benefits the AER considers are already established.

Granting the waiver introduces potential cross-subsidisation and discrimination risks because Essential Energy's staff, systems and assets may support both regulated and contestable activities, and Essential Energy controls upstream inputs used by CPOs. These risks are reduced by ARENA and shareholder funding of the trial, ARENA's oversight, Essential Energy's AER-approved cost allocation method, the continuing requirements of the guideline, and the trial's site-selection and CPO-engagement processes. Requiring compliance with the guideline would avoid or reduce these risks but would prevent stream 2 proceeding in its proposed form.

The AER has imposed waiver conditions to manage potential risks and ensure benefits from trial learnings are realised for the market. The conditions require transparency about relevant access and deployment outcomes, financial and cost allocation information, trial performance and utilisation, and provide an exit pathway to avoid entrenching a preference for network-owned charging infrastructure. The requirements complement ARENA's trial governance and support public reporting of information relevant to future regulatory and market decisions.

Essential Energy expects all chargers to be operational from January 2028. The ARENA-funded trial ends in October 2028 and its knowledge-sharing obligations continue until October 2029. A waiver expiry on 31 October 2029 allows time for deployment and a reasonable period of operational evidence, aligns the waiver with the externally funded trial

and reporting period, and allows the model to be reassessed as technology, market conditions and government policy settings on public EV chargers evolve.

2 Background

2.1 Summary of Essential Energy's trial

On 20 April 2026, Essential Energy applied to the AER for a waiver until 30 June 2033 from obligations under clauses 3.1(b) (legal separation), 4.2.1 (physical separation / co-location), 4.2.2 (staff sharing) and 4.2.3 (branding and cross-promotion) of the guideline. The ring-fencing waiver was sought to enable Essential Energy to deliver its Plug and Play EV charging infrastructure trial. Essential Energy subsequently responded to questions from stakeholders and the AER, and made a submission to the consultation paper.[1] We consider these documents collectively form Essential Energy's ring-fencing waiver application.

Essential Energy seeks to install, own, lease and maintain EV charging infrastructure embedded in 300 composite streetlight columns. Essential Energy sought a ring-fencing waiver because the guideline prohibits it from leasing out the EV charging infrastructure to CPOs as a service.[2]

The Plug and Play trial has two streams:

- Stream 1: Essential Energy would pre-enable 1000 timber distribution poles for third-party EV charger deployment by selecting suitable sites and reducing connection barriers. Essential Energy does not consider this stream requires a ring-fencing waiver. Stream 1 is to support deployment of EV charging infrastructure on the overhead network portions.
- Stream 2 (subject of this waiver): Essential Energy would install 300 EV chargers embedded in composite streetlight columns in regional NSW. This stream requires the waiver because Essential Energy would own, install, maintain (including fault response) and lease access to the embedded charging infrastructure. Stream 2 deployment is focused on locations supplied by underground electricity networks where pole-mounted deployment is unavailable or unsuitable.

Essential Energy has secured $2.32 million in funding from ARENA for the Plug and Play trial, and the remainder of the total project cost of $6.01 million will be funded by Essential Energy shareholders.[3] ARENA's funding for the trial is conditional on Essential Energy receiving a ring-fencing waiver from the AER. No costs will be recovered from Essential Energy's regulatory asset base or its customers via network charges.

The key aspects of stream 2 of the trial include the following:

- Retail charging services (pricing, billing, customer engagement) will be delivered by CPOs and retailers. Once a CPO or retailer elects to activate the associated national metering identifier, it assumes the financially responsible market participant role. Responsibility for metering will sit with the financially responsible market participant, with

[1] These documents can be found on the AER's website: AER, Essential Energy – Ring-fencing waiver – Kerbside EV charging infrastructure, 2026.

[2] Essential Energy application, p. 4.

[3] ARENA, Plug and Play asset based destination charging project, 2026, accessed September 2026.

each charging site expected to operate under a single financially responsible market participant model. Essential Energy indicates it could adapt to multiple financially responsible market participant arrangements in future if regulatory changes allow.[4]

- ARENA requires Essential Energy to develop and use a site identification tool, in conjunction with local council engagement, to identify suitable locations for the EV charging infrastructure for both streams 1 and 2. Stream 2 sites or site bundles are intended to be tendered to CPOs.[5]
- The charger and metering components will sit inside the network asset. The appropriate metering solution will be determined by the metering coordinator and other accredited metering parties, including type 9 metering as they become available. Type 9 metering avoids additional metering hardware and permits smaller solutions, avoiding the need for installing external meter boxes and associated external wiring and distribution board work.[6]
- Deployment sites will be limited to locations where poles are being replaced at end-of-life as part of an existing asset replacement program, rather than being broadly available across all potential sites.[7]

Essential Energy stated that stream 2 of the Plug and Play trial aims to:

- test whether shared network-installed infrastructure – meaning infrastructure owned, installed and maintained by the network but operated commercially by third parties – can reduce deployment barriers, support competitive entry, and improve regional access to EV charging without establishing or endorsing any ongoing role for distribution network service providers (DNSPs).[8]
- generate insights into whether embedding chargers in composite streetlight columns can reduce total deployment and lifecycle costs compared with externally-mounted chargers.[9]
- generate evidence on regional kerbside charging use cases, support EV adoption and provide tourism benefits for regional NSW towns. It also aims to generate practical insights on infrastructure utilisation, and the conditions required for commercially viable market delivery in regional areas.[10]

[4] Ibid, p.26. The AER notes that for CitiPower, Powercor, and United Energy's (CPU's) EV charging infrastructure trial, CPU assumed the responsibility of the financially responsible metering participant and multiple e-Mobility Service Providers were given access to each charger.

[5] Essential Energy, Consolidated response to AER and stakeholder questions, 2 July 2026, p. 15.

[6] Essential Energy application, pp. 37 and 40. The AER notes the appointment of the Metering Coordinator and other contestable market roles will remain the responsibility of the relevant financially responsible market participant, consistent with the requirements of Chapter 7 of the National Electricity Rules. (Australian Energy Market Operator, Submission to the AER's consultation on the waiver application for EVCI from Essential Energy, 14 July 2026.)

[7] Ibid, p. 32.

[8] Ibid, p. 5.

[9] Ibid, p. 40.

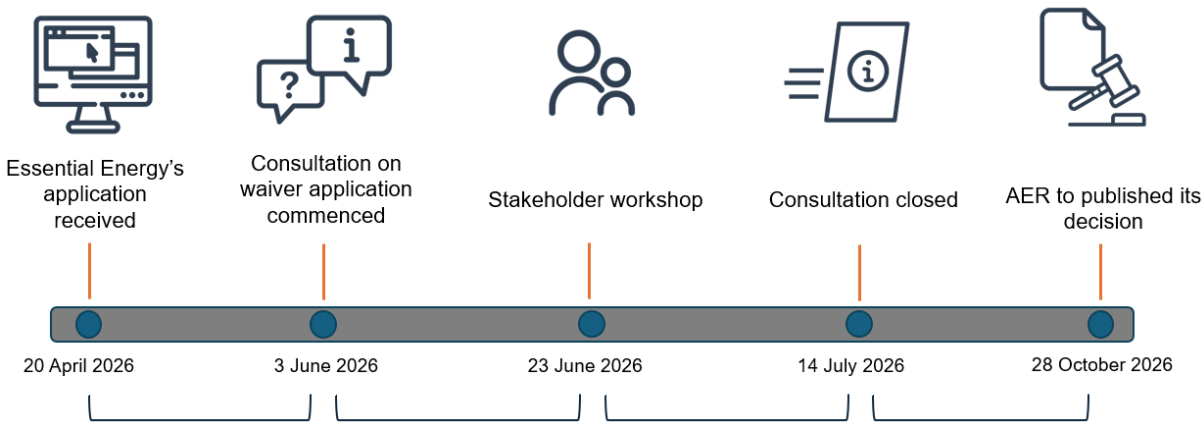
[10] Ibid, p. 23.

- unlock market participation in locations where commercial deployment has not occurred, and inform future regulatory decisions, including whether the model should continue, change, or cease.[11]

Essential Energy's application states that access to stream 2 infrastructure will be allocated through a transparent and competitive process, as follows:

- Essential Energy will make available defined sites or site bundles to the market, with information provided on location characteristics, expected utilisation and technical constraints;
- selection of CPOs will be based on transparent and objective criteria, which may include capability, delivery approach, and alignment with trial objectives;
- high-level information on available sites and allocation processes will be made public, with commercially sensitive bid information to remain confidential.[12]

2.2 Public consultation process



The AER publicly consulted on Essential Energy's waiver application from 3 June to 14 July 2026, and held a stakeholder workshop on 23 June 2026. The AER released a consultation paper as part of the process and published Essential Energy's response to stakeholder and AER questions from the workshop. We received 20 formal stakeholder submissions, which are available on the AER's website.[13]

2.3 The AER's assessment approach

The guideline (clause 5.3.2) specifies that in deciding whether to grant, vary or revoke a waiver, the AER must have regard to:

[11] Ibid, pp. 16 and 28.

[12] Ibid, p. 31.

[13] AER, Essential Energy – Ring-fencing waiver – Kerbside EV charging infrastructure, 2026, accessed September 2026.

- the National Electricity Objective as stated in the National Electricity Law, which is to promote efficient investment in, and efficient operation and use of, electricity services in the long-term interests of consumers of electricity with respect to:
  - price, quality, safety, reliability and security of supply of electricity; and
  - the reliability, safety and security of the national electricity system; and
    - the achievement of targets set by a participating jurisdiction, including for reducing or contribute to reducing Australia's greenhouse gas emissions;
- the potential for cross-subsidisation from revenue earned from provision of regulated distribution services;
- the potential for discrimination where a DNSP confers a competitive advantage on its related service providers that provide contestable services; and
- whether the benefit, or likely benefit, to electricity consumers of the DNSP complying with the obligation (including any benefit, or likely benefit, from increased competition) would be outweighed by the cost to the DNSP of complying with that obligation.

The AER may also consider any other matter it considers relevant.[14]

The guideline further sets out that the AER can impose conditions when granting a waiver to mitigate risks and maximise the benefits that can be achieved from the waiver.

The AER has assessed Essential Energy's ring-fencing waiver application against the decision-making framework in the guideline. We have considered the trial's potential contribution to achieving the National Electricity Objective, the potential for cross-subsidisation and discrimination, and whether the benefits to electricity consumers of Essential Energy complying with the relevant obligations would be outweighed by its costs of doing so. We have considered broader trial, market-development and policy benefits separately under the National Electricity Objective and as other matters the AER considers relevant.

[14] AER, Ring-fencing guideline (electricity distribution), 2025.

3 Summary of stakeholder views

The AER received 20 submissions to the consultation on Essential Energy's waiver application.

- 13 submissions support the application – including consumer, regional development, business and industry representative or advisory bodies, the Clean Energy Council, a research centre, a member of the public (Brendan Jones), and 4 electricity network bodies.
- 6 submissions oppose the application – from retailers, Nexa Advisory, and a member of the public (Ross de Rango).
- The Australian Energy Market Operator made a neutral submission noting it had engaged with Essential Energy and obtained clarification on the metering arrangements of the waiver application. The submission noted it was comfortable with the metering arrangements Essential Energy relayed as set out in Australian Energy Market Operator's submission.

In this section we set out stakeholder views on a set of common themes that emerged through the public consultation process.

EV charging customers and use cases

Stakeholders generally support improving access to public EV charging in regional NSW, but expressed different views about the main users or uses for the trial chargers. Many stakeholders consider regional residents are less likely to use kerbside chargers because many have off-street parking and can charge at home. Essential Energy contends that this is not universal for all regional residents. It states that, for households with convenient off-street parking, home charging is likely to be the primary option and public charging provides marginal benefit. However, for households without convenient home-charging infrastructure, such as those without secure garages or suitable power supply, public charging may be a practical alternative, including while visiting town centres. Stakeholders also identify travellers as potential users, although views differ on whether alternating current (AC) kerbside chargers would be useful for short stops and overnight stays, or whether travellers would prefer direct current (DC) fast chargers for longer-distance trips.

Site selection

Stakeholders generally accept that using composite streetlight columns already due for replacement may reduce deployment costs, but caution that an asset replacement program is not a reliable proxy for consumer need, likely utilisation, safety, accessibility or local amenity. Several submissions note that there is a risk that chargers could be installed where poles are technically suitable, rather than where EV drivers are most likely to need them.[15]

[15] AJMG Solutions, Submission to the AER's consultation on the waiver application for EVCI from Essential Energy, July 2026, pp.2–3; AGL Energy, Submission to the AER's consultation on the waiver application for

Stakeholders advocate for consultation with CPOs and local councils, and publication of the basis on which sites are chosen. Several stakeholders argue DNSPs should not determine deployment locations unilaterally and that councils and market participants are better placed to identify suitable charging locations and demand patterns.[16]

Essential Energy indicates that site selection for both streams 1 and 2 will involve a DNSP-developed site identification tool, local council and CPO engagement through stakeholder forums, with ARENA oversight of these processes. It states it is required to provide reports to ARENA which demonstrate its progress against project milestones.

Regional demand and alternative delivery models

Stakeholders expressed different views about the drivers of current EV charging deployment in regional NSW and the implications for the trial. Supportive submissions consider regional charging is underserved and that lower utilisation and higher maintenance costs can make commercial deployment more difficult. Opposing submissions consider lower deployment may instead reflect demand, access to home charging or other commercial factors informing investment decisions, and suggest Essential Energy should focus on facilitating CPO-led deployment through stream 1 rather than owning infrastructure used to provide contestable charging services.

The role of DNSPs in provision of EV charging infrastructure

Stakeholders distinguish between DNSPs enabling market-led deployment and DNSPs owning EV charging infrastructure. Opposing stakeholders submit that the barriers identified by Essential Energy can be addressed through facilitation measures, such as stream 1, without Essential Energy owning, installing or maintaining charging assets. They are concerned that DNSP ownership of EV charging infrastructure could distort competition by allowing a regulated monopoly to leverage advantages arising from its network ownership position, including access to poles, network information, workforce capabilities, and connection processes.[17]

Supportive stakeholders acknowledge the benefits of Essential Energy's proposal where it is designed as a targeted and time-limited trial, and where retail charging services, pricing, billing and customer engagement remain with CPOs.[18] They considered competition risks

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EVCI from Essential Energy, July 2026, p.3; Clean Energy Council (CEC) submission, p. 5; Brendan Jones submission, pp.13 and 20; Origin Energy, Submission to the AER's consultation on the waiver application for EVCI from Essential Energy, July 2026, p. 4; Australian Electric Vehicle Association (AEVA) submission, p. 2; Evie Networks, Submission to the AER's consultation on the waiver application for EVCI from Essential Energy, July 2026, pp. 3–5; Justice and Equity Centre (JEC), Submission to the AER's consultation on the waiver application for EVCI from Essential Energy, July 2026, pp. 2–3.

[16] AJMG Solutions submission, pp. 2–4; Ausgrid, Submission to the AER's consultation on the waiver application for EVCI from Essential Energy, July 2026, p. 4; CEC submission, p. 5; Evie pp. 3–5; JEC submission, pp. 2–3; Nexa Advisory, Submission to the AER's consultation on the waiver application for EVCI from Essential Energy, July 2026, pp. 3–5, 7; Origin Energy submission, p. 4; Brendan Jones submission, pp. 13 and 20; Centre for Smart Power and Energy Research (CSPER), Submission to the AER's consultation on the waiver application for EVCI from Essential Energy, July 2026, p. 2.

[17] AGL Energy submission, pp. 1–2; Evie Networks submission, pp. 5–6; Nexa Advisory, pp. 2 and 11; NRMA submission, pp. 1 and 3; Ross De Rango submission, p. 5.

[18] AJMG Solutions submission, pp .2–3; CSPER submission, p. 4 and 9; CEC submission, pp. 2–3; Ausgrid submission, pp. 3 and 5; Endeavour Energy submission, p. 3.

could be managed through a tightly-scoped waiver with conditions that ensure competitive neutrality, transparent procurement and non-discriminatory access arrangements, and prevent direct or indirect cross-subsidisation.[19] However, supportive and opposing stakeholders alike emphasised that any support for the proposed trial should not be interpreted as supporting an ongoing role for DNSPs in EV charging. That broader issue should be considered through other regulatory reviews.[20]

Reporting and trial learnings

The strongest area of stakeholder consensus is that, if a waiver is granted, the trial should generate public, detailed evidence that can inform policy. Stakeholders consider reporting should indicate whether regional kerbside charging is used, which use cases it supports, how the delivery model performs, and whether DNSP-led infrastructure can deliver benefits such as improved uptime or lower costs for EV drivers.[21]

Waiver duration and exit pathway

The appropriate waiver duration is contested. Some stakeholders consider a longer waiver may support evidence collection on EV uptake, utilisation trends, charger performance and market development in regional areas, where adoption may occur more slowly than in metropolitan areas.[22] However, others are concerned that a lengthy waiver could entrench DNSP ownership of charging infrastructure before broader market settings, EV charging business models and regulatory reforms are settled.[23] Two stakeholders have indicated an end date in 2029 is appropriate given the pace of technological change.[24]

[19] AGL Energy submission, pp. 1–4; AEVA submission, p. 2; CSPER submission, pp. 3–4; CEC submission, pp. 2, 4, 6; Evie Networks submission, pp. 2–4; JEC submission, pp. 1–3; Nexa Advisory, pp. 2 and 12; NRMA submission, p. 2; Origin Energy submission, pp. 1, 3–5; Ross De Rango submission, pp. 1 and 5; ENA submission, p. 2.

[20] AJMG Solutions submission, p. 5; Evie Networks submission, pp. 2 and 6; Nexa Advisory, p. 2; CSPER submission, pp. 4 and 9; JEC submission, p. 1; CEC submission, p. 7.

[21] AGL Energy submission, p. 4; AJMG Solutions submission, pp. 3–4; Ausgrid submission, pp. 3 and 5; CSPER submission, pp.3–6; CEC submission, pp. 3 and 8; ENA submission, p. 3; Evie Networks submission, pp. 6-7; JEC submission, p. 2; Origin Energy submission, pp. 6–7; Brendan Jones submission, pp. 18–19.

[22] Ausgrid submission, p. 5; ENA submission, p. 3.

[23] AEVA submission, p. 2; AGL Energy submission, pp. 3–4; CEC submission, p. 7; Origin Energy submission, p. 6; AJMG Solutions submission, p. 4; Evie Networks submission, p. 7; Nexa Advisory submission, pp. 4 and 14; JEC submission, pp. 1-2; CSPER submission, pp. 7–10.

[24] AGL Energy submission, pp. 3–4; Brendan Jones submission, p. 24.

4 Assessment of the waiver

This section describes our assessment of the waiver against the mandatory assessment criteria set out in the guideline (as discussed in section 2.3).

4.1 The National Electricity Objective

The AER has had regard to the National Electricity Objective by considering whether granting the waiver may promote efficient investment in, and efficient operation and use of, electricity services in the long-term interests of consumers. The proposal may contribute to achieving the National Electricity Objective by testing whether embedded charging infrastructure can make more efficient use of distribution assets and available network capacity in regional areas. The relevance of these potential outcomes to the National Electricity Objective depends on their connection to the efficient investment, operation and use of electricity services and is to be tested through the trial.

We have also had regard to the trial's potential contribution to NSW's greenhouse gas emissions reduction targets by supporting transport decarbonisation.[25] The trial may increase access to public EV charging and, in turn, support consumer confidence and EV uptake.

The extent of any benefit will depend on how the chargers are used, where they are located and whether the model adds charging options rather than displacing market-led investment. Stakeholders expressed different views about whether the chargers would principally serve regional residents, visitors or both. This uncertainty in the use case reinforces the value of using the trial to generate public evidence about the benefit of regional kerbside AC chargers, utilisation, deployment costs, operational performance and consumer outcomes, and the relative performance of different delivery models. It does not require the AER to presume that a market failure exists or that one model should be preferred.

4.2 Potential for cross-subsidisation and discrimination

Cross-subsidisation

The trial will be jointly funded by ARENA and Essential Energy's shareholders. Essential Energy has stated that the trial will not be recovered through regulated network charges or included in the regulatory asset base. Granting the waiver nevertheless creates a potential cross-subsidisation risk because some of Essential Energy's staff, systems and assets may support both regulated distribution activities and the contestable activity authorised by the waiver. This includes the allocation of costs associated with pole replacement, installation, maintenance, fault response and other shared resources between the regulated pole or public-lighting function and the embedded charger.

Essential Energy's AER-approved cost allocation method and the guideline require costs to be allocated to the service to which they are attributable and prevent regulated distribution revenue from subsidising contestable services. These requirements reduce, but do not

[25] NSW Department of Climate Change, Energy, the Environment and Water, NSW Electric Vehicle Strategy, April 2026, accessed September 2026.

remove, cross-subsidisation risks. Transparency over the trial's financial performance and cost-allocation — including the capital, operating and maintenance costs of the embedded chargers — is therefore an important safeguard. This information will allow the AER to assess whether trial costs have been borne by ARENA and Essential Energy's shareholders, rather than regulated electricity customers. ARENA's financial oversight provides an additional safeguard.

Discrimination

Granting the waiver introduces a potential discrimination risk because Essential Energy controls upstream inputs used by CPOs, including poles, network information and connections, and will also own and lease the embedded charging infrastructure used by CPOs to provide retail charging services. The concern is that Essential Energy could use its control of those upstream inputs, access terms or processes to favour its embedded chargers, or the CPOs operating them, over other CPO-led charging options.

The AER considers that discrimination risks are likely to be strongest locally. Chargers embedded in composite streetlight columns under stream 2 and pole-mounted chargers under stream 1 may operate in the same town and compete for the same customers. Once a driver has chosen to stop, access to a nearby pole or suitably located site may determine whether a third-party CPO can offer a practical alternative.

If stream 2 sites are selected where CPO-led deployment is commercially viable, the trial could discourage or displace market-led investment. Conversely, where stream 2 adds infrastructure in locations that would not otherwise be served, it may increase the number and range of charging options available to consumers.

Several factors reduce the likelihood or potential effect of discrimination. Site selection will involve a site identification tool, council engagement, CPO forums and ARENA oversight. ARENA funding is tied to deployment under both streams, which provides an incentive during the deployment phase to facilitate third-party pole-mounted chargers as well as stream 2 chargers. Essential Energy can also earn pole-access revenue and network tariff revenue from third-party deployments. These factors help to mitigate, but not eliminate, discrimination risks. The waiver conditions further reduce the risk by requiring transparency about CPO selection, the basis for charger lease fees and comparative energisation timeframes for Essential Energy's embedded chargers and third-party chargers. These measures focus on the conduct and outcomes most relevant to discrimination.

There may also be discrimination risk in connection processes for standalone destination chargers and DC fast chargers that compete with stream 2 sites. However, this risk is lower because network connection processes are subject to existing regulatory obligations and AER oversight.

4.3 Benefits and costs of requiring compliance with the guideline

Requiring Essential Energy to comply with the relevant guideline obligations would avoid or reduce the potential discrimination and cross-subsidisation risks identified above, including the risk of adversely affecting competition in regional EV charging markets. These are the relevant benefits to electricity consumers of requiring compliance.

The countervailing consideration under this criterion is the cost to Essential Energy of complying with the obligations from which it seeks a waiver. Compliance would prevent Essential Energy from undertaking stream 2 in its proposed form.

4.4 Additional matters

The AER has also considered the trial's broader potential benefits. Stream 2 may support competition by enabling CPOs to provide retail charging services at sites in areas supplied by underground networks where conventional pole-mounted equipment is unavailable or unsuitable. It may also generate evidence about whether a future contestable access model could emerge for embedded chargers in composite streetlight columns, subject to the necessary jurisdictional and legislative arrangements.

The AER considers that the role of kerbside AC charging in regional areas is likely to vary depending on the charging occasion. Drivers travelling along regional corridors may choose among AC kerbside, destination and DC en-route charging depending on their itinerary, time constraints, vehicle range and state of charge. Once a driver has decided to stop in a regional town, the practical alternatives may be narrower and depend on proximity to the intended destination. AC kerbside charging may therefore be most relevant for longer dwell-time charging, residents without convenient access to home charging, or drivers seeking to top up while undertaking local activities.

A further potential benefit is the opportunity to test embedded chargers at scale and generate evidence about demand, utilisation, deployment costs, operational performance and the viability of the underlying technical and commercial model. The trial may help inform whether a future contestable access model could allow third parties to install and own embedded chargers in composite streetlight columns, and the access, maintenance and regulatory arrangements that would be required. This may include amendments to relevant jurisdictional public-lighting codes. The potential use of type 9 meters[26] may also support more efficient deployment by reducing the need for additional external metering equipment and leveraging recent metering reforms.

Essential Energy expects deployment to commence in December 2026, installation to be completed over approximately 12 months, and all chargers to be operational from January 2028. The ARENA-funded trial concludes in October 2028 and its knowledge-sharing obligations continue until October 2029. The AER considers that this provides sufficient time to gather operational evidence while allowing the model to be reassessed as technology, market conditions and policy settings evolve.

4.5 Assessment summary

On balance, having regard to the matters in clause 5.3.2 of the guideline, the AER considers that granting Essential Energy a time-limited waiver, subject to conditions, is appropriate. Full compliance with the guideline would avoid or reduce the discrimination and cross-subsidisation risks identified above but would prevent stream 2 from proceeding in its

[26] Australian Energy Market Commission, Unlocking CER benefits through flexible trading, Rule determination, 15 August 2024, accessed September 2026.

proposed form. The AER has considered whether the potential value of the trial, together with appropriate safeguards, justifies permitting the activity on a limited basis.

In doing so, the AER has had regard to the National Electricity Objective and other matters it considers relevant, including stream 2's potential to test embedded charging in composite streetlight columns at scale and generate evidence about regional charging use cases, deployment costs, operational performance and consumer outcomes.

The AER has not concluded that regional EV charging presents a market failure or that Essential Energy's model is more efficient than market-led alternatives. Stream 2 contributes to achieving the National Electricity Objective by testing whether this model makes more efficient use of distribution assets and available network capacity and reduces deployment barriers without displacing market-led investment. These are matters to be tested, rather than benefits the AER considers are already established.

Stream 2 will test a relatively novel configuration in which charging and metering infrastructure are embedded within composite streetlight columns. This configuration may support charging in locations where conventional pole-mounted equipment is unavailable or unsuitable and may reduce some physical and operational constraints associated with separately mounted chargers. DNSP ownership may also provide continuity during the trial by retaining responsibility for the infrastructure and allowing a replacement CPO to operate a charger if the initial operator exits. The trial may provide evidence about whether a future contestable access model for embedded chargers could emerge, but the AER does not consider that the configuration necessarily requires ongoing DNSP ownership. A clear exit pathway is therefore important to avoid entrenching a preference for DNSP-owned infrastructure.

Some cross-subsidisation risk exists because some staff, systems and assets may support both regulated distribution activities and the contestable activity authorised by the waiver. Funding by ARENA and Essential Energy's shareholders, ARENA's oversight, Essential Energy's AER-approved cost allocation method and the continuing requirements of the guideline reduce this risk. The waiver conditions provide additional assurance through financial and cost-allocation reporting on the capital, operating and maintenance costs of the embedded chargers and the allocation of costs shared with regulated pole assets.

Granting the waiver may introduce discrimination and competitive neutrality risks because Essential Energy controls relevant upstream infrastructure and there is no regulated pole-access framework in NSW. These risks are reduced by the trial's site-selection and CPO-engagement processes and by targeted conditions requiring transparency about matters directly relevant to discrimination, including access fee arrangements and comparative charger energisation timeframes.

Given the charger deployment timeframe and knowledge-sharing obligations under Essential Energy's contract with ARENA, the AER considers that a waiver expiry of 31 October 2029 allows for a reasonable amount of time for deployment and generating operational evidence. It aligns the waiver with the externally funded trial and reporting period, and limits the risk of entrenching DNSP ownership. It also allows the model to be reassessed as technology, market conditions and policy settings develop. The AER is therefore satisfied that a time-limited waiver, subject to conditions directed to residual ring-fencing risks, is appropriate.

5 Waiver conditions

We have imposed a set of conditions to ensure Essential Energy's trial is delivered in a way that generates the greatest learnings on the use case for regional kerbside EV chargers, future embedded EV charger models, and mitigating potential competitive impacts. We consider that the waiver conditions are proportionate to the trial and directed to the potential ring-fencing risks.

The waiver conditions also support transparent reporting of evidence generated by the trial. They require transparency about CPO selection, the basis for charger lease fees, comparative energisation timeframes, financial and cost-allocation outcomes, charger performance and utilisation. They also provide a clear exit pathway so that the waiver does not establish an enduring role for Essential Energy in contestable EV charging infrastructure. These requirements complement ARENA's trial governance and makes public decision-useful information that is not otherwise required to be published.

The conditions for this waiver are as follows:

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[27].
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, maintenance response and resolution timeframe — and, where available, average range of end-user charging prices across its stream 2 chargers;

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

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.