



The Hon. **Aileen MacDonald** *OAM MLC*



The Hon Chris Bowen MP

Minister for Energy

CC via : <https://www.aemc.gov.au/contact-us/lodge-submission>

for project ERC0436 | Facilitating EV charging infrastructure rollout under Commonwealth grants

Dear Minister,

Re: Competition, Consumer and Market Concerns Regarding DNSP Participation in EV Charging Infrastructure

I write regarding growing concerns raised by industry participants, electrical contractors and private sector investors relating to the increasing involvement of Distribution Network Service Providers (DNSPs) in the ownership, installation and operation of electric vehicle charging infrastructure within contestable markets.

As Australia continues the transition toward electrification and cleaner transport technologies, it is critical that government policy settings continue to support competitive neutrality, private sector investment and consumer protection.

While DNSPs play an essential role in maintaining reliable electricity networks and facilitating efficient grid connections, concerns are emerging that the expansion of monopoly network businesses into competitive EV charging markets risks distorting investment signals and undermining confidence amongst private sector participants.

A number of stakeholders have expressed concern that existing ring-fencing frameworks may no longer provide sufficient protection against the use of monopoly advantages in contestable commercial markets.

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Member of the New South Wales Legislative Council



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Particular concerns raised include access to network information, existing infrastructure advantages, potential cross subsidisation risks and the broader impact on small and medium electrical contracting businesses seeking to participate in the energy transition.

I am also concerned by reports that investment confidence amongst Australian based EV charging suppliers, technology firms and innovators may be weakening due to perceived market uncertainty and the potential for monopoly market concentration.

Further concerns have been raised regarding proposals that could ultimately result in commercial EV charging infrastructure costs being socialised across electricity consumers through regulated network charges that is increases in power bills. Many constituents would reasonably question why households and businesses, including those without EVs, should subsidise commercial charging infrastructure where private user pays models are already operating successfully.

There are also legitimate concerns that monopoly backed investment structures may create incentives for substantial over deployment or inefficient deployment of charging infrastructure in locations that do not align with genuine market demand or community utilisation needs.

In light of these issues, I respectfully request that the Government and the AEMC to consider the following matters:

- Reviewing the adequacy of current ring-fencing arrangements applying to DNSP participation in contestable EV charging markets.
- Ensuring regulated network revenues are not used to subsidise commercial EV charging activities.
- Maintaining strong competitive neutrality principles between monopoly network businesses and private sector participants.
- Supporting a private sector led and user pays approach to EV charging deployment wherever feasible.

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- Considering an independent review into the long-term competition and consumer impacts of DNSP involvement in EV charging infrastructure markets.

Australia's energy transition will require substantial private investment, innovation and workforce participation. It is therefore important that policy settings continue to encourage open competition, protect consumers and support the thousands of licensed electrical contractors and Australian businesses contributing to this transition.

In this context, I respectfully recommend that the Government and the AEMC opposing the rule change proposals advanced by the Energy Networks Association and the Department of Climate Change, Energy, the Environment and Water which would further expand Distribution Network Service Provider involvement in contestable EV charging markets.

I further request the Government support the rule change proposal advanced by NEXA advisory, which seeks to strengthen competitive neutrality protections, secure effective ring-fencing arrangements and ensure EV charging infrastructure continues to be delivered through a competitive private sector framework.

I would welcome your consideration of these matters and would appreciate any advice regarding the Government's current position.

Yours sincerely,

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