Ms Anna Collyer
Chair
Australian Energy Market Commission
GPO Box 2603
Sydney NSW 2001

23 July 2026

To Ms Collyer,

Electricity Network Regulation Review Package 1 – Consultation paper

ENGIE Australia & New Zealand (ENGIE) appreciates the opportunity to respond to the Australian Energy Market Commission's (the Commission) initial consultation on package 1 of the Electricity Network Regulation Review.

The ENGIE Group is a global energy operator in the businesses of electricity, natural gas and energy services. In Australia, ENGIE operates an asset fleet which includes renewables, gas-powered generation, and battery energy storage systems. ENGIE also provides electricity and gas to retail customers across Victoria, South Australia, New South Wales, Queensland, and Western Australia.

ENGIE is supportive of the Electricity Network Regulation Review and considers it is timely to review the regulatory frameworks for electricity networks in the context of new emerging energy services and an increasing role for distribution network service providers (DNSPs) in facilitating two-way flows of electricity. Relevantly for the topics in scope for package 1, ENGIE notes that it has previously partnered with DNSPs in community battery trials, such as United Energy's Low Voltage Battery Trial.[1]

ENGIE considers the current regulatory framework has important controls to manage the risks of DNSPs gaining an unfair advantage from their monopoly position when providing contestable services. ENGIE emphasises the continued importance of effective controls to ensure monopoly NSPs cannot cross-subsidise their contestable activities or engage in other discriminatory behaviour. As will be discussed in this submission, ENGIE would be concerned if the Commission progressed reforms that expanded the boundaries of network regulation to include services that should more appropriately be provided through competitive markets.

[1] Australian Renewable Energy Agency, United Energy Low Voltage Battery Trial, accessed at; https://arena.gov.au/projects/united-energy-low-voltage-battery-trial/

While ring-fencing arrangements and waiver conditions have been largely effective to-date, there is scope to strengthen the application of ring-fencing and ensure that waivers are only granted where there is a clearly demonstrated market failure and no prospect of the competitive market delivering the service.

In the remainder of this submission, ENGIE provides feedback on the Energy Networks Australia (ENA) and Nexa Advisory rule change requests that are the focus of package 1 of this review.

ENA rule change request – DNSP-led EV charging infrastructure

In relation to emerging services, such as electric vehicle charging infrastructure (EVCI) and community batteries, ENGIE is concerned about the prospect of regulatory frameworks being expanded to enable DNSPs to provide these services and include costs into their Regulatory Asset Bases (RABs), potentially placing unnecessary and inefficient costs on energy consumers.

In that context, ENGIE does not support the ENA rule change request to amend the National Electricity Rules (NER) to enable DNSPs to install, own and maintain kerbside EVCI. This proposal would bypass the important consumer protections of ring-fencing waivers and likely erode the prospects of long-term competition in the nascent EVCI market. These outcomes would be counter to the proposals in the Nexa Advisory rule change request, which seeks to strengthen ring-fencing obligations and protect consumers from the risks of monopoly participation in contestable markets.

ENGIE refers the Commission to its recent submission to the 'Facilitating EV charging infrastructure rollout under Commonwealth grants' rule change request, which highlighted its concerns that enabling DNSP participation in this contestable market would not be in the long-term interests of energy consumers.[2] The competitive market has demonstrated a willingness to invest in EVCI to respond to consumer demand. For example, ENGIE has previously participated in an ARENA trial that delivered 55 fast-charging EVCI sites across metropolitan areas.[3]

ENGIE has reservations about the ENA's problem statement in the rule change request, which suggests that consumers are hesitant to purchase EVs without EVCI, and investors are hesitant to deploy more EVCI due to low EV uptake. Since the announcement of the Australian Government's 'Accelerating EV Charging Program' in September 2025, the rate of sales of EVs in Australia have increased significantly, particularly in the months following the outbreak of conflict in the Middle East and associated global fuel supply chain disruptions.

EV sales as a proportion of new vehicle sales have been consistently achieving records in 2025 and 2026, with EV sales most recently representing more than 35 per cent of new vehicle sales in June 2026.[4] In this

[2] ENGIE 2026, Submission – Facilitating EV charging infrastructure rollout under Commonwealth grants, June.

[3] ARENA, ENGIE Future Fuels Public Fast Charging, available at; https://arena.gov.au/projects/engie-future-fuels-public-fast-charging/

[4] Electric Vehicle Council 2026, EVs hit 36% market share as Tesla Model Y becomes Australia's best-selling car for second consecutive month, Blog, 3 July, available at; https://electricvehiclecouncil.com.au/media-releases/evs-hit-36-market-share-as-tesla-model-y-becomes-australias-best-selling-car-for-second-consecutive-month/

context, the supposed 'chicken and egg problem' appears to be becoming less relevant, as other factors have arisen that lessened Australians' hesitancy to purchase EVs.

To the extent that there are issues in achieving universal uptake in EVs, such as for the subset of households without access to off-street parking, this in itself does not justify monopoly ownership of EVCI, either through a ring-fencing waiver or amendment to the NER to expand the boundaries of regulated services. The potential existence of short-term investment gaps does not evidence that there is a market failure justifying monopoly ownership of assets. ENGIE contends that alternative policy interventions that do not distort competitive markets should be explored prior to making a significant reform that would be challenging to unwind in the future. For example, reforms could be focused on streamlining connection assessments, harmonising DNSP requirements, improving visibility of network capacity and connection costs, network tariff design, and establishing clearer arrangements for access to existing network infrastructure.

Nexa Advisory rule change request – clarifying distribution ring-fencing in emerging energy markets

ENGIE supports the objectives underpinning the Nexa Advisory rule change request, which is to strengthen distribution ring-fencing arrangements rather than allowing these arrangements to be progressively weakened and relaxed. ENGIE agrees that ring-fencing arrangements and strict waiver conditions are an important protection to ensure that DNSP participation in contestable markets only occurs where there is a clear market failure and appropriate safeguards are established to manage the long-term risks to consumers. ENGIE supports the Commission providing clearer boundaries between regulated and contestable services in package 1 of this review.

ENGIE supports the Nexa Advisory proposal to elevate the core ring-fencing and waiver obligations and principles into the NER, while retaining flexibility for the Australian Energy Regulator (AER) to operationalise ring-fencing within the boundaries of these obligations and principles. ENGIE supports a stronger role for the Commission in leading the policy design for distribution ring-fencing and ensuring these arrangements are fit-for-purpose and meet the national electricity objective.

ENGIE is also supportive of the Nexa Advisory proposal to introduce a stronger last-resort waiver criteria. ENGIE considers that DNSPs should face a high regulatory barrier to receiving a waiver from their ring-fencing obligations. The AER should only be granting a waiver from these obligations where it is presented with clear and demonstratable evidence of long-term benefits to consumers that justify monopoly businesses being permitted to use their advantages to distort contestable markets.

ENGIE notes that the AER is currently reviewing its electricity distribution ring-fencing guideline and has set out a wide-ranging scope for that review.[5] While the AER has acknowledged the relevance of the Nexa Advisory rule change request and the Electricity Network Regulation Review, ENGIE still considers the AER should pause its current review until the rule change request is assessed to minimise the regulatory burden

[5] AER 2026, Review of the Ring-fencing guideline (electricity distribution) v4 and Shared Asset Guideline v2 - Call for input, June.

for participants in engaging in multiple consultation processes, and to avoid the outcomes of the AER's review becoming outdated at the conclusion of the rule change request assessment.

Concluding remarks

ENGIE welcomes the Electricity Network Regulation Review and looks forward to contributing all the relevant workstreams over the next 12 months. Should you have any queries in relation to this submission please do not hesitate to contact me on, telephone, 0436 929 403.

Yours sincerely,

Matthew Giampiccolo

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