SUBMISSION

FACILITATING ELECTRIC VEHICLE CHARGING INFRASTRUCTURE UNDER COMMONWEALTH GRANTS (ERC0436)

25 JUNE 2026

INTRODUCTION

The Energy Users' Association of Australia (EUAA) is the peak body representing Australian commercial and industrial energy users. Our members are the engine room of the Australian economy, producing many of the products that households and business use every day including bricks, glass, steel, aluminium, paper, food and beverages. Combined, our members employ over 1 million Australians, pay billions in energy bills every year and in many cases are exposed to the fluctuations and challenges of international trade.

EUAA members are focussed on making products that meet their own customers' requirements where energy is just one input to the process albeit a critical one. Their expectation is that the energy industry continues to provide energy services that are fit for purpose and consistent with the National Electricity Objectives (NEO) so that our members can continue to provide a fit for purpose product for their customers.

The EUAA welcomes the opportunity to provide comment on the Australian Energy Market Commission (AEMC) **Facilitating electric vehicle charging infrastructure under Commonwealth grants**, Consultation Paper on the proposed rule change to enable Distribution Network System Provider (DNSP) deployment of electric vehicle charging infrastructure (EVCI). We support efforts to accelerate electric vehicle (EV) uptake and recognise the policy intent behind addressing the 'chicken-and-egg' challenge of charging availability. However, the mechanism proposed to achieve this represents a significant departure from the established regulatory framework and raises important questions about consumer protections, governance, and long-term cost impacts.

Under the proposed rule, the Australian Energy Regulator (AER) would be required to include Department of Climate Change, Energy, Environment, and Water (DCCEEW) approved expenditure for EVCI projects in a DNSP's regulated asset base (RAB). In effect, this transfers key expenditure-approval functions from the AER, the independent economic regulator, to DCCEEW, a policy agency. DCCEEW would determine which project costs enter the RAB, assess the merits of proposals, apply incentive mechanisms, and adjust recoverable amounts based on revenue received from charge point operators (CPOs). This structural shift underpins many of the concerns outlined in this submission, particularly regarding the socialisation of costs, the risk of inefficient expenditure, and the need to preserve competitive neutrality.

The EUAA's overarching position is that any framework enabling DNSP involvement in EVCI must maintain strong regulatory safeguards, ensure transparent and efficient cost recovery, and protect consumers — particularly those who may not directly benefit from the infrastructure being funded. The following section outlines our key concerns with the proposed rule change.

Key points:

- Maintain strong AER oversight of all EVCI-related expenditure, including prudency, efficiency and ex-post review powers, before any costs enter the RAB.
- Ensure transparent and fair competitive processes for selecting CPOs and allocating sites, including open tenders where multiple parties express interest.
- Strengthen consumer protections by requiring clear transparency on project costs, bill impacts and site-level information, and ensuring all net EVCI revenues flow back to consumers.

DISCUSSION

While the EUAA supports greater network utilisation, we are concerned about the socialisation of costs for infrastructure that may not benefit all consumers. The proposal seeks to recover approximately 70% of program costs from electricity consumers through changes to the National Electricity Rules (NER), with the remaining 30% funded by the Commonwealth grant which comes from DCCEEW's Accelerating EV Charging Program. While we acknowledge the policy intent behind this, we remain concerned that:

- Not all consumers will benefit equally from the investment, yet all will pay for it.
- Large energy users, in particular, may face non-trivial bill impacts despite having limited or no access to the infrastructure being funded.
- Households unable to adopt EVs due to cost, housing type, or other constraints, will still bear the cost of assets that primarily benefit EV users.

These distributional concerns sit alongside broader regulatory and economic risks created by the proposed framework. In particular, the shift in how EVCI expenditure would be treated under the NER introduces additional uncertainty for consumers and heightens the potential for inefficient or inappropriate costs to be recovered through network charges.

The proposal creates a significant stranded-asset risk, with regulated cost recovery potentially extending beyond the period in which these assets remain economically useful. Unlike traditional poles-and-wires infrastructure, EVCI-related assets face far greater uncertainty in both utilisation and technological relevance. The Consultation Paper does not specify the assumed asset lives or depreciation profiles, making it difficult to assess whether consumers may be required to fund these assets long after they cease to deliver meaningful value.

Further, while we support the intent to promote competition in the EVCI market, the Consultation Paper provides limited detail on how competitive processes will be maintained or governed in practice. The paper notes that CPOs will have a first right of refusal, but it is unclear whether this applies to all CPOs or only to a subset approved by DCCEEW. Where multiple parties express interest, we would expect a transparent and genuinely competitive tender process; however, the Consultation Paper does not outline how such processes will operate or how DNSPs will be required to manage them. More broadly, the program designs do not provide clarity on how competitive tension will be preserved or how the program will avoid inadvertently favouring particular providers. Without clear and fair processes, there is a real risk the program could limit competition instead of supporting it. Given that consumers will be funding a significant share of the program, it is essential that strong safeguards are included to ensure that competition is genuine and that the benefits of competitive pressure, including lower prices and improved service quality, are realised.

These concerns are compounded by the proposal for DCCEEW, rather than the AER, to determine capex or opex amounts entering the RAB, assess the merits of project proposals, apply incentive mechanisms, and adjust recoverable amounts based on revenue received from CPOs. These functions go well beyond DCCEEW's role as a policy maker and effectively place it in the position of an economic regulator, without the statutory mandate or regulatory expertise required to protect consumers.

Given these risks, it is essential that the regulatory framework retains strong safeguards around what expenditure is ultimately recovered from consumers. Either through this rule change or through subsequent AER assessments, there must be a rigorous evaluation of appropriate cost-recovery periods for EVCI-related assets, including consideration of accelerated depreciation where warranted. While shorter asset lives may increase near-term costs, this must be balanced against the risk of consumers funding assets that become under-utilised or obsolete. To manage such risks, the rule must preserve the AER's ability to apply its prudency and efficiency tests to all expenditure entering the RAB and to undertake ex-post reviews of EVCI projects. This is critical to maintaining the integrity of the regulatory framework and ensuring that any expenditure approved by DCCEEW is still subject to independent economic scrutiny before being recovered from consumers.

We also consider transparency to be a critical prerequisite for this program. If costs are to be socialised, consumers must be able to clearly understand what they are paying for, which areas will be affected, and the scale of the resulting bill impacts. DNSPs should therefore be required to publish accessible, site-level information on project locations, expenditure, and expected consumer cost recovery. Consumer understanding of network charges is already low, and this program introduces an additional layer of complexity. Respecting consumers means ensuring they are provided with clear, plain-language explanations of any bill increases, the drivers of those increases, and the outcomes the expenditure is intended to enable. Without this level of transparency, the socialisation of costs risks eroding trust in the energy system.

It is essential that any revenue DNSPs receive from EVCI assets are also treated transparently, and in a manner consistent with the long-term interests of consumers. Where DNSPs receive any form of EVCI or site-related revenue above the efficient cost of service, this should be returned to consumers through reduced network charges. These revenues should not be retained as profit or used to offset unrelated expenditure. This principle is consistent with the treatment of other regulated services, whereby consumers should not be required to fund assets through the RAB while DNSPs simultaneously earn unregulated revenue from those same assets. Ensuring that all net revenues flow back to consumers is a critical safeguard against cross-subsidisation and helps maintain confidence that the program is being delivered efficiently and fairly.

Beyond the concerns outlined above, the EUAA supports DNSPs leading the identification of suitable charging sites, given their unique visibility of network constraints, hosting capacity and localised demand patterns. As consumer energy resources (CER) uptake accelerates and more non-network optimisation options emerge, DNSPs will increasingly need to play a proactive role in identifying where new loads can be most efficiently integrated. However, this also raises important questions about how such processes will be governed in the future, how they will interact with emerging CER planning frameworks, and how DNSP-led site identification will be reflected in network expenditure on an enduring basis.

CONCLUDING REMARKS

The EUAA supports measures that enable efficient EV charging infrastructure, though consider that this must not come at the expense of consumers or the integrity of the regulatory framework. The proposed rule change introduces material risks around cost socialisation, stranded assets, competitive neutrality and governance that must be addressed before the program proceeds. Ensuring strong AER oversight, transparent processes, and clear protections for consumers will be essential to delivering the policy intent in a way that is efficient, equitable and sustainable.

Please do not hesitate to be in contact with EUAA Energy Regulation Manager Shelby Macfarlane-Hill, should you have any questions.

Andrew Richards
Chief Executive Officer