evoenergy

23 July 2026

Ms Anna Collyer

Chair

Australian Energy Market Commission

Dear Anna

Submission to the Commission's Electricity network regulation review Package 1 (EPR0106)

Evoenergy welcomes the Australian Energy Market Commission's (AEMC) review into electricity network regulation (ENRR). In this review, the AEMC will consider whether the regulatory framework remains fit for purpose in the face of rapid energy system change. In its Package 1 consultation paper, the AEMC observes there may be areas where the regulatory framework is challenged by this transition, particularly in relation to service classification, ring-fencing, connections and cost allocation.[1]

Evoenergy supports the principle put forward by the Energy Networks Australia (ENA) that the regulatory framework should be sufficiently flexible to enable the deployment of technologies and infrastructure underpinning the energy transition at the pace customers need, at the lowest sustainable cost.

In particular, Evoenergy considers that the service classification framework should provide flexibility for a network service provider (NSP) to provide regulated services in contestable markets where its involvement in that market will improve efficiency and deliver benefits to consumers, such as where:

- there is demonstrated evidence that the market is not delivering efficient, scalable or equitable outcomes for that service, and
- NSP provision would produce demonstrable benefits to customers, such as lower cost service delivery, faster deployment or improved reliability, that would not be available, or available as quickly, through alternative providers.

To this end, Evoenergy supports the position put forward by the ENA in its submission that the National Electricity Rules (the rules) would benefit from the inclusion of these additional circumstances into the factors the Australian Energy Regulator (AER) must consider when making a service classification decision. This change could allow NSPs to participate in nascent markets where an NSP's economies of scope, and ability to coordinate and harness externalities would result in the faster and more efficient deployment of technology and infrastructure than otherwise might have occurred, to the ultimate benefit of the consumer. The AER has observed that NSP participation in these markets could 'bring benefits such as improved productivity of the energy system which

[1] The AEMC notes that the ENRR will not consider matters covered in reviews currently underway or recently concluded such as network planning, network pricing and minimum standards and requirements for NSPs. This includes consideration of large customer connections through the ECMC data centre working group and DSO roles and responsibilities.

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outweigh detriments.'[2] A further benefit of this change to the service classification arrangements would be the reduced need for ring-fencing waivers. In making a decision on service classification, the AER would establish the appropriateness of NSP involvement in a contestable market meaning the need for waivers is diminished.[3]

In relation to the AEMC's approach to the ENRR, Evoenergy supports the preservation of a principles-based rules framework, where the rules set principles and provide guidance for NSPs and the regulator in the application of those principles. Matters of implementation and detailed interpretation are appropriately included in AER guidelines. With this in mind, the AEMC's consultation paper has not raised issues in relation to connections, cost allocation or shared assets that indicate significant reform of these rules is warranted however further consideration of these arrangements through the review process may be prudent.

The AEMC's consultation paper also seeks feedback on rule change requests to amend ring-fencing rules and classification of Electric Vehicle Charing Infrastructure (EVCI) from Nexa Advisory (ERC035) and the ENA (ERC0437), respectively. On these Evoenergy refers the AEMC to the ENA's separate submissions.

If you wish to discuss any of the matters raised in this response further, please contact Leah Ross, Economic Regulatory Manager via leah.ross@evoenergy.com.au.

Yours sincerely

Gillian Symmans

A/g General Manager, Economic Regulation

[2] AER (2025). Letter to the Treasurer – regulatory reform opportunities, August, p 5.

[3] More detail on the ENA's suggested change to the service classification framework can be found in its submission to EPR0106, dated 23 July 2026.