SUBMISSION

Facilitating EV charging infrastructure rollout under Commonwealth grants

Submission to Australian Energy Market Commission — June 2026

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Contents

About the Smart Energy Council

The Smart Energy Council (SEC) is Australia's peak body for the renewable energy and storage industry, representing over 700 member companies across solar, battery storage, energy management, and related clean energy sectors. Our membership spans technology manufacturers, installers, retailers, financiers, and policy advocates, all committed to accelerating Australia's transition to clean, affordable energy.

Introduction

The Smart Energy Council (SEC) welcomes the opportunity to provide a submission on the Australian Energy Market Commission's (AEMC) consultation paper regarding the National Electricity Amendment (Facilitating electric vehicle charging infrastructure under Commonwealth grants) Rule 2026.

The SEC is broadly supportive of the objectives of the Program and the intention enabling rule change. The acceleration of kerbside AC charging and the resolution of regional blackspot gaps are critical for equitable access to clean energy technology, transport decarbonisation and accelerating Australia's emissions reduction trajectory.

While the program is time-bound, the proposed rule change introduces structural risks that, if unaddressed, could unintentionally distort competition, limit participation by local installers and SMEs and weaken long-term market development. Our submission focuses on practical amendments that preserve competitive neutrality, strengthen transparency, protect consumer pricing, and ensure high-quality, accredited installation practices across all program-funded works.

Our response to the consultation questions (included below) provides further detail and rationale regarding targeted concerns across five key areas:

- The appropriateness and cumulative impact of consumer cost recovery;
- The protection of competitive market structures as DNSPs expand their functions;
- The realism of the rule change timeline embedded in the Program design;
- The need to ensure EVCI assets are designed with future vehicle-to-grid (V2G) capability in mind; and
- The mandatory inclusion of installer accreditation, safety standards, and local SME participation frameworks.

1. Question 1: Problem Statement

The chicken-and-egg barrier to EVCI deployment is well-demonstrated. Charging deployment grew 19 per cent in 2025 but significantly lagged the 53 per cent growth in EV sales. We recognise the Program's focus on AC kerbside charging in metropolitan areas as this is the

most important gap in Australia's charging network and the most relevant infrastructure for the households and consumers who cannot (or are unable to) charge at home.

We suggest including an explicit equity dimension. Apartment residents, renters, and households without off-street parking are currently excluded from EV adoption not only due to insufficient public charging, but because they also cannot access home charging. Kerbside AC charging is the primary access pathway for a substantial cohort of Australian consumers. This cohort must be prioritised in CER policy design where they are able to participate.

The SEC notes the fuel supply chain disruption context cited by DCCEEW is significant. The structural increase in fuel costs experienced by Australian consumers since February 2026 strengthens the emissions and consumer welfare case for EV uptake beyond the Step Change scenario assumptions. The Program's scale should be understood as conservative relative to updated demand conditions.

CSIRO analysis provided to AEMO indicates that consumer demand for convenient public charging, including faster Level 2 AC charging, will be substantial and will require co-ordinated infrastructure investment to be in place ahead of demand. This reinforces the case for the Program's proactive deployment model rather than a reactive market-led approach.

The Government's own BETA survey of over 3,700 participants found a direct correlation between visible public charging infrastructure and EV purchase decisions. This evidence base directly supports prioritising kerbside AC deployment for apartment residents and renters who cannot access home charging.

The AEMC should endorse the problem statement. The Program's equity dimension (serving consumers locked out of home charging) should be explicitly recognised as a program objective in the AEMC's assessment, not only emissions reduction.

To strengthen the problem-resolution framework and ensure DNSPs cannot quietly preference their own installation pathways, the SEC recommends integrating the following missing operational safeguards into the rule text:

- **Mandatory Transparency & Publication Requirements:** Require DNSPs to publish, in real time, all proposed EVCI-suitable sites, network capacity assessments, their rationale for site prioritisation, and any sites rejected along with the specific reasons for rejection.
- **Independent Oversight of Site Selection:** Establish an independent site selection panel (AER-appointed or state-appointed) to approve DNSP site lists, ensure geographic equity and ensure DNSPs do not prioritise assets that advantage their own network or operational interests.
- **Governance of Site Selection:** Site selection should be validated by the independent panel against driver demand, utilisation potential, safety and amenity.

2. Question 2: Emissions Reduction

The SEC considers the emissions reduction modelling methodology reasonable. The use of IEA comparator data and AEMO's Step Change scenario as the policy baseline is appropriate. The modelled value of emissions reduction significantly exceeds estimated consumer costs, which we consider to be the right framing for assessing the program's merit.

We highlight an additional methodological consideration: the recent fuel supply chain disruptions that DCCEEW itself cites as a reason for program urgency are likely to accelerate EV uptake beyond Step Change projections in the near term. DCCEEW's own modelling values emissions reductions at $809 million NPV (2025), against a peak residential bill impact of $0.79–$1.44 per year in 2029.

The SEC considers this ratio, exceeding eight times the consumer cost, to be a strong and compelling basis for the Program's merit, provided the underlying assumptions remain conservative relative to post-February 2026 demand conditions.

As a result, the emissions reduction case may therefore be conservative, and the Program's scale should be evaluated against analysis that accounts for the structural shift in fuel costs experienced by Australian consumers.

We suggest that DCCEEW could provide sensitivity analysis on emissions reduction outcomes under an accelerated EV uptake scenario, reflecting the structural shift in fuel costs since February 2026.

3. Question 3: Benefits Beyond Emissions Reduction

The Program's broader benefits include critical grid co-benefits that we consider to be underrepresented in DCCEEW's assessment. AC kerbside charging will form the foundational layer for future vehicle-to-grid (V2G) services as bidirectional charging becomes commercially available in Australia.

The AC V2G pathway (where the inverter sits in the vehicle rather than the EV Supply Equipment (EVSE)) is emerging as a lower-cost access point for consumers. Infrastructure deployed under this Program should be designed with V2G readiness from the outset, to avoid the risk of stranding assets ahead of V2G commercialisation.

The SEC suggests that DCCEEW include a technical specification requirement within the Program's grant guidelines that Program-supported EVCI be capable of supporting bidirectional charging or, at minimum, designed so as not to preclude future V2G upgrade pathways. For AC kerbside infrastructure, this is a low-cost design choice given that AC V2G capability resides primarily in the vehicle rather than the charger hardware, the incremental cost of V2G-ready design at the infrastructure level is therefore modest relative to the long-term grid value.

The SEC also notes that the learnings from this Program (on DNSP site identification, connection batching and coordinated rollout) have direct relevance to the broader challenge of coordinating network planning with CER deployment. The AEMC's assessment should recognise this as a systemic benefit that extends beyond the Program's direct EVCI footprint.

To ensure high-quality installation practices are embedded from day one, the program must also incorporate explicit safety and workforce development benefits:

- **Mandatory Recognised Accreditation:** The rule should specify that all AC and DC charger installations must be performed by accredited electricians or equivalent state-recognised EV charger accredited professionals and DNSPs must verify accreditation before awarding contracts.
- **National Minimum Technical Standard:** Require all EV charger installations to fully comply with AS/NZS 3000, AS/NZS 3008 for cable sizing, AS/NZS 4777 where DER integration is relevant, the IEC 61851 and IEC 62196 series for EVSE and connector compliance and ISO15118-20 for V2G.
- **Installer Training Pathways:** The program should fund or require explicit EV charger installation training, safety and commissioning training along with regional workforce development to ensure quality and support clean energy workforce growth.

4. Question 4: Contributions from All Electricity Consumers

The SEC accepts that emissions reduction is a common benefit justifying the distribution of costs across all electricity consumers. The modelled peak residential bill impact between $0.79-$1.44 per year in 2029 is modest in isolation, and the value of emissions reduction exceeds consumer costs by more than eight times. On these figures, the Program represents good value for consumers.

However, we highlight concern about cumulative bill impact that the AEMC should assess carefully. This program does not exist in isolation, it follows the Cheaper Home Battery Program expansion, ongoing network upgrade expenditure, the proposed ESEM under the Nelson Review and other programs that will flow through network and retail bills.
The SEC's submission to the AEMC Pricing Review specifically highlighted the risk of network costs escalating on consumer bills and opposed proposals that would shift network costs toward predominantly fixed charges. As we noted in that submission, households with existing solar and battery systems would see bills increase by $416-$684 per year under those proposals, and prospective CER investors would see payback periods extended by $353-$1,252 per year, as modelled by Green Energy Markets.

In that context, the SEC recommends the AEMC provide a cumulative bill impact assessment that contextualises this Program alongside other current and anticipated RAB additions and

network cost drivers, to ensure the Commission has a complete picture of the consumer cost trajectory before approving further cost socialisation.

The SEC also notes a structural concern: the 70/30 RAB recovery model sets a precedent for DNSP involvement in competitive adjacent markets being cross subsidised by all electricity consumers. While the 70/30 RAB model for the Program is time-limited, scope-bound and accompanied by CPO-first design, the SEC does not endorse the model as an enduring principle that DNSP expansion into new markets should be consumer funded.

The SEC acknowledges DCCEEW's design intention that Program costs will not flow through to consumer bills until the next regulatory reset, meaning no bill impact during the current fuel crisis period. This is a well-considered design feature. Nonetheless, the cumulative trajectory of RAB additions across all programs remains a valid concern that the AEMC should assess in the round.

To avoid procurement structures that favour large national contractors and result in quiet market consolidation, the rule must embed clear safeguards to support local industry participation and ensure that socialised consumer funds are spent fairly:

- **Require Local Participation Plans:** Mandate that DNSPs include in all tenders minimum local installer participation targets, weightings for local and regional SMEs and requirements to demonstrate regional workforce engagement.
- **Cap Maximum Contract Size:** Require DNSPs to break tenders into small geographic bundles and limit any single contract to a reasonable number of chargers (e.g., 100-200) to avoid mega contracts that only large national firms can bid for.
- **Require Open, Public Tendering:** No closed or invitation-only tenders are permitted under the program. All tenders must be publicly advertised, open for a minimum of 30 days and evaluated using transparent, published criteria.
- **Mandate Reporting on SME Participation:** DNSPs must report annually on the number of local installers engaged, the percentage of work awarded to SMEs and regional workforce utilisation to drive absolute accountability.

5. Question 5 and 6: Cost Recovery, RAB Adjustments and Timing

RAB adjustments for cost recovery may be administratively practical and mirrors the existing NER incentive structures, including the Capital Expenditure Sharing Scheme (CESS). However, the cumulative bill impacts and exposure on consumers highlighted above, are not favourable for the Program.

The SEC raises one structural concern: the proposed rule substantially reduces the AER's ability to conduct ex-post review of EVCI expenditure. Under the proposal, DCCEEW rather than the AER determines the recoverable amounts to enter the RAB. The AEMC has flagged

a possible expenditure cap as a safeguard, but the SEC considers this important to formalise in the rule text rather than as a suggestion.

Regulatory frameworks should preserve consumer agency and accountability and must not dilute oversight in favour of mere administrative convenience. The AER's role as the consumer protection backstop in network cost recovery should not be bypassed, even for a time-limited program.

On timing, the SEC supports recovery in the next regulatory control period rather than through a mid-period reopener. Reopeners create regulatory instability and risk establishing precedents for future cost recovery claims.

The SEC notes that DCCEEW's own rule change request acknowledges this oversight gap, flagging that the AEMC may wish to consider an expenditure cap mechanism. The SEC's position is that this should not be left as a suggestion for the AEMC to consider, it should be formalised in the rule text as a binding consumer protection.

6. Question 7: Connection Services and Ringfencing

The SEC supports excluding EVCI connection works from the definition of connection services under the NER for program purposes. This is a pragmatic necessity given DNSPs are initiating works without a connection applicant, and the current framework creates a structural barrier that this rule appropriately removes.

On ring-fencing, the SEC supports the Program's explicit prohibition on DNSPs selling electricity to EV owners. The bright line between network functions (connection, infrastructure) and competitive market functions (electricity retail, charging services) is fundamental to market structure. The SEC's February 2026 Pricing Review submission emphasised that network economic regulation remains capex-biased and that this bias should not be extended into adjacent competitive markets through expanded DNSP roles.

The SEC's specific concern is that the ring-fencing protections as currently designed rely substantially on program guidelines and terms and conditions that sit outside the NER. These are more easily varied and less legally durable than rule-based protections. The SEC recommends the AEMC ensure that the prohibition on DNSPs acting as e-Mobility Service Providers (EMSPs) or selling electricity to EV consumers is embedded in the rule itself, not delegated to program guidelines.

The SEC draws the Commission's attention to the fact that the rule change request itself (Appendix C, clause 11.1xx.4) addresses ring-fencing by deeming Program activities to be standard control services 'for the purposes of the Distribution Ring-Fencing Guidelines.' This is a guidelines-level protection. The SEC's position is that the prohibition on DNSPs selling electricity to EV consumers (the critical competitive boundary) should be elevated into the rule text itself, not left to guidelines that are more readily varied without a full rule change process.

This concern is heightened considering the parallel rule change request from Energy Networks Australia (ERC0437) which seeks a broader and potentially more enduring DNSP role in EVCI. The SEC will engage actively in that process and flags here that the AEMC's treatment of ring-fencing in ERC0436 will set important precedent for how network boundaries are treated in ERC0437 and the ENRR Package 1.

To further strengthen competitive neutrality and ensure structural connection and approval reforms for on-the-ground installation activities, the rule should explicitly state that:

- **Early-Stage Network Capacity Data Access:** DNSPs publish open-access, granular and regularly updated hosting capacity maps to enable CPOs to self-select unconstrained connection nodes proactively.
- **Provider of Last Resort Constraints:** DNSPs may install chargers only when a private CPO has explicitly declined the site through the program's right of first refusal process.
- **A Structural Make-Ready Framework for Contestable Installation Procurement:** There is a clear regulatory boundary for DNSPs to use contestable, open procurement for all installation, civil works and ongoing maintenance services and are strictly barred from defaulting to asset ownership or operation of the chargers themselves.
- **Standardised National Connection Timeframes:** Set a maximum turnaround timeframe (e.g. 10 business days for low-voltage AC connections) to stop arbitrary DNSP processing delays.
- **Transparent, Capped Application and Design Fees:** Standardise connection and design fees nationally to replace the opaque, highly variable state-by-state pricing models currently penalising private operators.
- **Mandatory Quality Assurance Audits:** Require DNSPs to conduct random quality assurance audits of at least 10% of completed installations, publish the audit results and rectify any identified defects at their own cost.
- **Public Reporting on DNSP Performance:** Enforce mandatory, annual AER-published dashboards tracking individual DNSP connection performance, fee compliance and application rejection rates to introduce true commercial accountability.

7. Question 8: Alternative Solutions

New York and California in the USA accelerated charging infrastructure rollout through variations of a make-ready framework where EVCI sites with high demand and equity were the focus, backed by a mix of public and private investment, not electricity consumers. In Norway, for ongoing viability and cost recovery, the focus remains on EV charging users, optimised charging times to avoid peak demand and coupling charging sites with solar or batteries to shorten cost recovery periods. The AER's sandboxing and ring-fencing waiver

tools are correctly identified as insufficient and the SEC does not propose an alternative rule structure.

However, the SEC draws the AEMC's attention to an industry concern about program timeline feasibility. DCCEEW's program design appears to have assumed the AEMC rule change process will conclude within approximately six months of submission, allowing grant applications to open concurrent with or shortly after the AEMC's draft determination. This timeline is optimistic for a structurally novel rule change with multiple contested elements, such as cost socialisation, ring-fencing, connection service exclusions and DNSP role expansion.

The AEMC should be explicit about its indicative determination timeline and DCCEEW should design its Program rollout milestones accordingly. Opening grant applications before rule clarity is achieved would create significant uncertainty for both DNSPs and CPOs, undermine confidence in the Program and risk binding commitments being made against a regulatory framework that has not been finalised.

We also note that the consultation period for this paper (less than four weeks) is itself compressed for a structurally novel rule change with multiple contested elements. While the SEC has endeavoured to provide substantive input within this timeframe, a compressed consultation process risks producing a rule determination that has not been adequately tested across the full range of affected stakeholders.

Framed strictly as a necessary safeguard to protect the integrity of this urgent rollout, the SEC recommends DCCEEW hold grant application openings until after the AEMC's final determination is published.

8. Question 9: End of Asset Life

At the end of the initial program funding period, sites should be re-tested for commercial viability and offered to CPOs before any ongoing DNSP operational role is approved. We emphasise the Program's rationale is to kickstart a market, not to create a permanent DNSP foothold in competitive EVCI infrastructure.

If the Program succeeds in its objective, the market will have developed sufficiently that CPOs can operate commercially viable kerbside sites without further subsidy or DNSP involvement. DNSPs should only replace assets in sites that remain genuinely uncommercial at that point and only following a transparent market-testing process consistent with the Program's original design intent.

This is consistent with DCCEEW's own stated objective that the Program is intended to 'kickstart' a competitive market, not to create an enduring DNSP infrastructure role. The end-of-life provisions should operationalise this intent.

The SEC notes the AER's role in determining end-of-life treatment at the next regulatory determination should be explicitly preserved in the rule, including the ability to require DNSP divestment of EVCI assets to CPOs where commercial viability has improved.

To avoid long-term market distortion and ensure the time-limited nature of the program is upheld, we recommend formalising the following sunset mechanics in conjunction with asset-life reviews:

- **Sunset Clause and Post-Program Market Retest:** Require all DNSP-installed chargers to be competitively retendered to the market at the end of the initial program period, rather than waiting for the physical asset to expire.
- **CPO First Right:** Retendered assets must be offered first to CPOs and private operators, forcing DNSPs to fully exit operational roles once the program concludes to prevent entrenched market dominance.

9. Question 10: Enduring role of DNSPs in EVCI

While the enduring role of DNSPs in EVCI is formally out of scope of this rule change, we can provide commentary on this issue ahead of ENRR Package 1 consultation in June 2026.

The SEC's position is that DNSPs should not become enduring operators of competitive EVCI infrastructure. The Program's value is as a market catalyst, not as a template for permanent network function expansion. The SEC is concerned that ERC0437 (submitted by Energy Networks Australia alongside this rule change) seeks a broader and more permanent DNSP role in EVCI that goes well beyond the time-limited, scope-bound approach of this Program.

The SEC's AEMC Pricing Review submission articulated that network economic regulation remains capex-biased, and this bias creates a structural incentive for networks to expand their asset base into adjacent markets. Fixed-charge proposals like those in the Pricing Review Draft Report would compound this by insulating networks from the efficiency signals that would otherwise constrain overinvestment. The ENRR must address capex bias through genuine totex reform before any expansion of DNSP functions into competitive markets is contemplated.

The SEC's position on the DSO transition, informed also by the AEMC engagement with industry, is that DNSP boundary expansion must be paired with robust ring-fencing, genuine totex reform removing capex bias, and consumer agency protections that ensure BTM assets remain under consumer or consumer-chosen agent control. These conditions are not yet in place.

The SEC notes that ENRR Package 1 consultation is commencing in June 2026 as stated in this consultation paper. The SEC will engage actively and constructively in that process and will provide detailed submissions on the conditions that must be met before any permanent expansion of DNSP functions into competitive markets is approved.

10. Public Charging Tariff Reform

Tariff design dictates the underlying commercial viability of public charging infrastructure. Standard commercial network tariffs, which heavily utilise peak demand charges based on the single highest half-hour of consumption in a month, create severe financial penalties for

kerbside slow-charging or low-utilisation regional sites where energy is discharged gradually or infrequently.

The SEC recommends that the AEMC introduce specific rule provisions mandating the creation of fit-for-purpose public charging tariffs. These tariffs must:

- Avoid demand-charge structures that penalise kerbside or highly episodic regional sites.
- Incentivise flexible or managed charging via dynamic, cost-reflective "solar soak" windows that reward EV drivers for charging during periods of minimum system load or peak renewable generation.

Conclusion

The Smart Energy Council acknowledges the technical complexity of the Commission's task in a rapidly evolving energy market. However, a failure to establish robust ring-fencing, expenditure caps and local procurement protections will adversely impact regional and metropolitan charging access, weaken private competitive investment incentives and send a negative signal to the clean transport market at a critical moment in Australia's transport decarbonisation transition.

The SEC urges the AEMC to address the competitive neutrality and consumer protection concerns outlined in this submission before finalising its rule determination, particularly the structural protections required to prevent permanent DNSP market dominance.

The Smart Energy Council thanks the Australian Energy Market Commission for the opportunity to provide this submission and welcomes further engagement on the matters raised.

If you have any queries on the issues raised, please do not hesitate to contact Rhiannon Evans, Senior Policy & Advocacy Officer, via rhiannon@smartenergy.org.au.

Kind regards,

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