Australian Energy Market Commission (AEMC)
Level 15, 60 Castlereagh Street
Sydney NSW 2000
Lodged at: www.aemc.gov.au.

4 November 2026

**Re: Facilitating EV charging infrastructure rollout under Commonwealth grants**

Thank you for the opportunity to respond to the AEMC's draft determination and draft rule relating to a rule change request from the Commonwealth Government Department of Climate Change, Energy, the Environment and Water (DCCEEW) to enable its "Accelerating Electric Vehicle Charging Program" (the Program).

The Energy Efficiency Council (EEC) is the peak membership association for organisations that are unlocking the power of efficiency, electrification and energy flexibility to deliver a prosperous, net zero Australia. Our members include technology suppliers, energy service providers, major energy users, governments, education providers and NGOs.

## Introduction

The EEC supports measures that remove genuine barriers to the efficient rollout of electric vehicle charging infrastructure (EVCI) and recognises the important role that public charging infrastructure will play in the energy transition.

The AEMC's draft rule would facilitate the Program by allowing participating distribution network service providers (DNSPs) to provide approved services and recover a proportion of their costs from electricity consumers through the regulatory framework. The AEMC describes the Program as time, scope and funding limited and states that DCCEEW remains responsible for its design, administration and oversight.

The EEC considers that the final determination should be guided by the following principles:

1. *Government policy programs should not establish a default pathway for transferring costs to electricity consumers*

The EEC is concerned about the precedent that could be established where changes to the National Electricity Rules (NER) are used to facilitate a government-designed program by transferring part of its costs to electricity consumers through regulated network revenues.

This concern arises even where the individual program has merit. Government may reasonably determine that accelerating EVCI deployment provides broader transport, emissions, equity or regional development benefits. However, the existence of those public benefits does not in itself establish that electricity consumers are the appropriate parties to fund them.

This distinction is consistent with the EEC's position in its Electricity Network Regulation Review – Package 1 submission (ENRR-1 submission). In that submission, the EEC put forward that economic regulation should generally be limited to services with enduring natural

monopoly characteristics, or where regulated provision demonstrably better promotes consumers' long-term interests. It also cautioned that recovering EVCI expenditure through regulated revenues weakens user-pays principles because consumers who may never use public charging infrastructure can be required to contribute to assets primarily benefiting a narrower group of users.

The EEC therefore considers that the AEMC should establish a clear principle that a government decision to subsidise an activity does not, by itself, establish a case for recovering the remaining costs from regulated electricity consumers.

### 2. *Consumers should face costs only where there is a demonstrable electricity-system benefit*

Where costs are proposed to be recovered from electricity consumers, there should be a transparent and robust demonstration that those costs deliver commensurate benefits to electricity consumers in their capacity as electricity consumers.

Public EVCI can generate several different categories of benefit. Some may accrue to electricity consumers through improved network utilisation or more efficient operation of the electricity system. Others may be broader public policy benefits associated with transport decarbonisation, regional access or EV adoption.

Those benefits should not automatically be treated as interchangeable when determining who should pay.

The EEC's ENRR-1 submission calls for stronger discipline around expenditure entering the regulated asset base, including demonstrating credible need, material consumer benefit and appropriate consideration of lower-cost alternatives, as well as managing utilisation and stranding risk rather than automatically transferring those risks to consumers.

Accordingly, where expenditure is ultimately recovered through network charges, the AEMC should make clear what benefit electricity consumers receive, why that benefit warrants the amount recovered from them, and why the relevant costs should not instead be met by government funding or users of the infrastructure.

### 3. *Competitive and less intrusive alternatives should be exhausted first*

The EEC supports a level playing field between regulated network solutions and competitive alternatives. DNSP involvement should therefore be targeted at genuine gaps that the competitive market is unable or unwilling to address, rather than becoming a parallel pathway for deploying infrastructure that could otherwise be commercially provided.

This is particularly relevant to the Program's design. For metropolitan kerbside sites, charge point operators have a first right of refusal, with DNSPs acting as provider of last resort where a site is not taken up. For identified regional blackspots, successful DNSPs may install DC chargers.

The EEC has particular concerns about DNSPs acting as providers of last resort for kerbside AC charging in metropolitan areas. As stated in the AEMC’s draft determination, the evidence that this model will deliver commensurate benefits to electricity consumers remains limited. There is a risk that kerbside chargers without dedicated parking will be blocked by petrol and diesel vehicles and remain underutilised, and will therefore be unable to deliver anticipated benefits.

These concerns do not establish that kerbside charging lacks value, but reinforce the need to demonstrate actual access, credible utilisation and benefits to electricity consumers before recovering costs through network charges. A commercial operator declining a site is not, in itself, evidence that DNSP provision at electricity consumers' expense is justified.

The provider-of-last-resort concept is preferable to allowing unrestricted DNSP participation, but how it is implemented matters. The EEC's ENRR-1 submission argued that alternatives such as targeted government funding, competitive procurement, improved connection processes, greater transparency of network information and giving competitive providers the opportunity to invest should be considered before regulated DNSP ownership is contemplated.

4. *Any derogation from the normal regulatory framework should be narrow, temporary and non-precedential*

The EEC recognises that the Program is intended to be a targeted intervention rather than an enduring redesign of the role of DNSPs. The AEMC itself describes it as time, scope and funding limited.

That distinction should be firmly embedded in any final rule and determination.

In the EEC's ENRR-1 submission, the EEC supported targeted DNSP trials where they generate evidence about emerging services, but suggested that temporary regulatory mechanisms should not become a pathway for establishing enduring regulated or preferential DNSP roles without sufficient justification.

The same principle should apply here. A rule designed to accommodate the Program should not be treated as evidence that EVCI is inherently a regulated network service, that DNSP ownership of EVCI should become enduring, or that electricity consumers should routinely co-fund future government programs delivered through DNSPs.

Any enduring change should be considered separately through the normal rule-making and service-classification processes, with a full assessment of consumer benefits, competition and alternatives.

5. *The AEMC should preserve regulatory discipline even where government has determined the policy objective*

The EEC considers that the NER should not become a mechanism through which government programs can bypass the disciplines ordinarily applied to expenditure ultimately borne by electricity consumers. The fact that expenditure forms part of an approved government program should not substitute for testing whether regulated cost recovery is consistent with the long-term interests of consumers.

Where government seeks an outcome primarily because of wider public-policy objectives, the default starting point should be transparent budget funding, rather than regulated electricity charges. Consumer-funded contributions should be exceptional and clearly linked to demonstrable electricity-system or consumer benefits.

## Conclusion

The EEC considers that the final rule, if passed, must contain strong safeguards around competition, consumer benefit and cost allocation. In particular, government support for an

activity should not, of itself, provide a basis for transferring part of that activity's costs to electricity consumers through regulated network revenues.

The EEC is concerned about the precedent that could be established if the NER becomes a mechanism through which government programs are facilitated by allocating costs to electricity consumers that would otherwise be funded transparently through government expenditure or by users of the service. Where regulated cost recovery is proposed, it should be supported by clear evidence that the expenditure delivers commensurate benefits to electricity consumers, that competitive or less intrusive alternatives are not available, and that consumers are not being asked to fund broader public-policy objectives that are more appropriately met through government funding.

The EEC is particularly concerned about the limited evidence that DNSP provision of metropolitan kerbside AC charging as a provider of last resort will deliver commensurate benefits to electricity consumers. The final determination should explicitly address accessibility and utilisation risks, including where dedicated charging bays are not secured, rather than treating the absence of commercial interest as sufficient justification for regulated cost recovery.

The EEC therefore considers that any arrangements for the Accelerating Electric Vehicle Charging Program should be explicitly confined to this program, time and scope limited, and designed so they do not establish an enduring precedent for DNSP participation in contestable EVCI markets or for consumer funding of future government initiatives. Any enduring framework should be considered separately through the appropriate regulatory processes and against the principles of competitive neutrality, user-pays, demonstrable consumer benefit and the long-term interests of consumers.

If you would like to discuss the matters raised in this response, please email me at Jeremy.Sung@eec.org.au.

Sincerely,



Jeremy Sung
Head of Policy
Energy Efficiency Council