Legislative Assembly Committee On Transport And Infrastructure: Infrastructure For Electric And Alternative Energy Source Vehicles In NSW

Public Hearing: Macquarie Room, Parliament House, Sydney, on Monday 30 June 2025

Questions on Notice for Energy Networks Australia

Background

Please note that the focus of ENA's submission, and our response to questions on notice, is on kerbside EV charging, one type of public EV charging. This is providing a different service to customers than other types such as fast and destination charging, which it does not seek to crowd out or compete with. Nor does it seek to restrict the contestable market, including related entities, from the continued leasing of DNSP pole assets to deliver their own kerbside charging infrastructure,

- Electrifying transport is key to reducing Australia's emissions
- Access to public EV charging is key to supporting mass adoption of EVs, but we've got a 'chicken and egg' problem now, resulting in Australia lagging the world in public EV chargers and, accordingly, in EV uptake
- Allowing distributors to also provide kerbside charging *infrastructure* under the existing regulated framework would see faster deployment, lower costs, universal and competitive access, and an increase in customer confidence to purchase an EV. It also improves equity and access as EV chargers would be rolled out across a network, rather than just focusing on areas that are most profitable – ensuring that no community is left behind
- Under this model, the distributors won't be selling energy to EV owners – they are just making it easier for retailers and charge point operators to do so. Distribution networks would provide the chargers as "network infrastructure" like they do with poles and wires, and retailers and charge point operators would be able to use the network infrastructure to offer services to their customers
- Open access will be given to retailers and charge point operators to use the chargers to offer EV charging services to their customers, fostering retail competition and ultimately lowering costs to customers and providing greater impetus for service innovation

Energy Networks Australia
energynetworks.com.au
info@energynetworks.com.au

Unit 5, Level 12, 385 Bourke Street,
Melbourne VIC 3000
+61 3 9103 0400

Energy Networks Association
T/A Energy Networks Australia
ABN: 75 106 735 406

Question One – DNSP-led EVCI (Cost Benefits)

Please provide further data supporting your position on the (cost) benefits of a DNSP-led EVCI rollout

Savings for EV drivers from DNSP-led kerbside charging

Under the proposal by NSW distribution network service providers (**DNSPs**) to install kerbside EV chargers, DNSPs would own and maintain the EV charging infrastructure, and charging companies like retailers and e-mobility service providers (**eMSPs**) would compete to sell charging services to customers through DNSP-provided hardware. Existing market structures would remain, with the DNSPs remaining a regulated infrastructure provider and private companies competing in the retail of electricity to customers.

Under this model, the contestable market, including related entities, are not restricted from the continued leasing of DNSP pole assets to deliver their own kerbside charging, nor does it seek to compete with / challenge other types of EV charging such as fast and destination charging.

Charging hardware would be sourced through a competitive process, ensuring competitive pricing and innovation, and the EV chargers would be 'neutral hosts' allowing any EV charging service provider to use the chargers at no cost.

Under this model, the customer experience would also be improved as customers would be able to access any DNSP-owned charger using their charging company of choice, avoiding the need to sign-up to multiple platforms or charging apps or to travel to another charger to access a better service offering. Providing customers with access to multiple charging companies at each charger would also reduce the need for public parking spaces, and some DNSP-owned chargers may not require a dedicated parking space. Under the alternative model, one public space is typically required for each charging company's infrastructure.

Competition between multiple retailers/eMSPs at the point of sale, combined with charging speeds that are more comparable to home charging, is likely to lead to pricing that is much closer to that faced by households charging at home than commercial offerings for kerbside charging. This can help reduce the equity impacts of charging as EVs become ubiquitous and some customers can charge with their own solar, while others cannot access the same benefits.

Savings for non-EV customers

A DNSP led kerbside roll-out would also provide savings for non-EV customers by increasing the utilisation of the network, which will lower electricity costs for all customers over time.

DNSPs are subject to revenue cap regulation, which means that the amount of revenue they can collect from customers in each given year is fixed by the Australian Energy Regulator (**AER**). If demand for electricity changes, this is reflected in a change in the price per unit of energy. More electricity demand, via an increased uptake of EVs, means that the revenue is spread over more units, lowering the price for each unit.

For example, based on EV forecasts in the Australian Energy Market Operator's 2024 Integrated System Plan, 600,000 EVs are expected in Ausgrid's network by 2029. To illustrate, Ausgrid forecasts this additional demand from EVs would add approximately 1,350 GWh to forecast demand (on average 2.25 MWh per vehicle per year, which is based on an average annual driving distance of about 14,000 km) on the Ausgrid network over 2029. This lowers the network

rate per unit of electricity from 5.32c/kWh to 4.96c/kWh based on the revenue and forecast demand in Ausgrid's current five-year regulatory determination. This reduction of 0.36c/kWh translates into an annual saving for an average household of around $18 in 2029 due to the increased utilisation of the network, compared to if there were no EVs in the Ausgrid network.

Background

- Relevant extracts from transcript:

Mrs JUDY HANNAN: Yes, well, there have been various providers that people can choose but it has just not worked out very well, and I don't think I've seen power prices come down anywhere. You talk about using the grid better. Would it not be sensible to just improve your provision to the private companies and the local distributors and use the grid that way better?

DOMINIC ADAMS: We think both are needed. At the moment there's a lot of work from across our distribution members to raise the bar and improve the service to connections for EV charging infrastructure, whether it's fast charging or otherwise. But what we haven't really seen is kerbside charging happening at scale, in the absence of significant government support. Essentially, if we're to get to the point where we have that—give or take 30,000 chargers by 2030, as the CSIRO recommends—we need to work out what the pathway is to get there. It is either continued government grants or continued piecemeal approaches to roll that out, or you can go down a distribution network service provision approach, which we think would be cheaper, give a lot more long-term certainty and provide a better service and, ultimately, customer experience, if those charge ports are genuinely opened up to competition to provide those services.

Mrs JUDY HANNAN: I would like to see some actual data on that because, as we all know, poles and wires have not delivered cheaper power. Anyway, I am finished with my questions.

The CHAIR: Perhaps you could take that on notice, if you do have any data that you can provide.

DOMINIC ADAMS: Yes. Maybe I can add a little bit of colour in terms of the utilisation story, which is, essentially, we've been going on quite a journey where solar power has been hollowing out the utilisation of the grid through the middle of the day. What that means is that your fixed infrastructure needs to be recovered over, essentially, less megawatt hours, so your prices do go up. With electrification and with, in particular, the electrification of transport, we've essentially got a once-in-a-generation opportunity to improve the utilisation of the grid. If you are recovering the costs of that fixed infrastructure over many more megawatt hours or a lot more use, then the price for that reduces. So it's really important that we get all of the infrastructure right as well as all of the tariff structures and the incentives to be able to, essentially, fill in the gaps—so get those EVs charging in the middle of the day to soak up that solar.

Question Two – Application Fees

Please provide further information on administration costs charged to applicants. As an example, the Inquiry heard from witness that when they deploy an EV charging site in Sydney, they pay in excess of $1,300 or $1,400 worth of administration fees just to submit the application for that site. When they do 100 sites, there is a cost to our business of about $140,000 or $150,000 just to cover the administration of the application for those sites.

Facilities Access Agreements (**FAAs**), which govern the terms and conditions for businesses seeking to host EV chargers on DNSP assets, are negotiated under commercially confidential terms.

Claims that free access to DNSP assets is provided to related entities are false. For example, leasing arrangements with Ausgrid's related entity, PLUS ES, are conducted entirely on commercial terms negotiated at arm's length. The AER's ring-fencing guidelines do not allow DNSPs, such as Ausgrid, to treat related entities, such as PLUS ES, on different terms or share information which would provide them with an advantage compared to other parties. DNSPs are audited for Ring-fencing compliance annually, with the audits published by the AER on its website.

NSW DNSPs are concerned that the figures that have been cited by witnesses omit key context and are therefore misleading. For example, we note the examples provided regarding administration fees are misleading without context.

The administration fees are designed to take into account a range of cost recovery and operational considerations. These fees would typically reflect a number of considerations around the costs to DNSPs to facilitate access to third parties, including factors such as access requirements, pole height and position, hardware specifications, assessments of the compatibility and availability of existing infrastructure, assessment of the safety and integrity of hosting the relevant equipment, coordination costs, risk and liability management, administrative and contract management overhead, site specific complexities to name a few.

In the example cited, these administration fees formed part of a total negotiated upfront payment, made in exchange for multiple years with no payment for pole leasing.

In reaching agreement on these fees, there are opportunities for third parties to negotiate arrangements which best meet the needs of their business. These fees also ensure that other electricity customers are not subsidising the costs of providing access to the DNSPs' poles.

It is important to note that revenue generated through asset leasing is subject to the AER's shared asset guideline. The Guideline stipulates that a proportion of leasing revenue is shared with the wider customer base once it meets the materiality threshold, through adjustments to the DNSP's allowed revenue. DNSPs negotiate asset leasing on commercial terms which in turn lower bills for all electricity customers.

The process and pricing approach for pole and other asset rental has been in place for many years and used by other customers such as telecommunications providers with limited concerns. We note any changes to the process and pricing approach for EV charging infrastructure providers would have consequences for other asset leasing customers, and the wider customer base, that would need due consideration.

Background

- Relevant extracts from transcript:

Mr WARREN KIRBY: I have a question on DNSPs' data that they provide. At the moment, it's only on request. It's also that there is the option for DNSPs to say that it's confidential or it's commercial in confidence. Wouldn't it be a better outcome, if they were truly supposed to be bringing down prices and making a level playing field, for all of that data to be publicly available?

DOMINIC ADAMS: When you say "data", which specific data are you referring to?

Mr WARREN KIRBY: We heard this morning that there are administration costs in the tens of thousands of dollars that don't seem to have any particular justification for or merit. There's an opaqueness of the way that they deal with independent companies who are setting up charging stations, and they were concerned about quite a lot of that data. For example, if they're running their own poles and wires, and charging stations on poles and wires, they're not charging themselves fees but they are charging competitor fees.

TRANSPORT AND INFRASTRUCTURE

Monday 30 June 2025 Legislative Assembly Page 21

DOMINIC ADAMS: I don't think that would be the case that there would be a difference between how a distribution business can deal with its own entity or an affiliate entity versus a third-party entity.

Mr WARREN KIRBY: That was the evidence that we heard this morning.

The CHAIR: We'll give you the figures that they provided, if you can have a look at them and maybe get back to us on notice. Is that okay?

DOMINIC ADAMS: Yes.

- Additional information provided by NSW Inquiry (21 July 2025):

  The figures referred to by Mr Kirby are from the following transcript extract: “As an example, when we deploy an EV charging site in Sydney, we pay in excess of $1,300 or $1,400 worth of administration fees just to submit the application for that site. When we do 100 sites, there is a cost to our business of about $140,000 or $150,000 just to cover the administration of the application for those sites.”

Question Three (Supplementary Question) – DNSP-led EVCI (Locations)

Q3(A): In your submission, you propose leveraging existing power poles for widespread kerbside charging. How would DNSPs prioritise locations, especially in underserved communities?

The NSW DNSPs' intent with deploying kerbside charging infrastructure is to fill the gaps in the commercial rollout to help to address the charging needs of the 30% of households across NSW who do not have access to at-home charging, and to address locations with a market failure for charging infrastructure.

We would identify locations where residents have barriers to off-street parking which mean they are unable to access EV charging at home (e.g. as they are renting or living in apartments) and are unserved or underserved by the commercial provision of public kerbside EV charging.

The benefits - and dollar savings - of owning an EV should be a viable option for all, not just people who can afford to own their own home and charger.

Focussing on areas which are unserved or underserved by commercial providers would also reduce range anxiety for EV drivers who live and travel in regional areas. Reduced access to EV charging infrastructure is a particular issue in regional and remote areas due to lower utilisation levels.

In these locations, deployment ahead of commerciality is likely to be needed to overcome the 'chicken and egg' problem of residents in areas with too little charging infrastructure not wanting to buy EVs, and the low number of EVs meaning charging infrastructure providers are not investing in installing chargers. By focusing on installing slower alternating current (AC) chargers, a DNSP roll-out of kerbside EV chargers would seek to complement, rather than compete with, the commercial roll-out of EV chargers which are focussed on locations for fast and destination charging.

The NSW DNSPs would work closely with the NSW Government, local councils, local communities and commercial charging companies to inform site selection decisions for kerbside charging infrastructure throughout our networks and would welcome further engagement on locations where the roll-out of kerbside EV chargers by DNSPs would be appropriate.

By way of practical example, Essential Energy has developed an approach for suitable pole mounted charging location determination that is applicable to both the current FAA (Facilities Access Agreement) approach and any future potential for network deployment. This approach uses network asset data to determine likely physical suitability across the entire network, then uses a separate live mapping tool to receive social desirability feedback from LGAs (Local Government Areas) on those physically suitable locations. This is a tool that is currently under development and testing with 5x LGAs, intended for the benefit of the joint use process participants.

Q3(B) What role would councils play in that process?

The NSW DNSPs work with councils across a range of aspects and touchpoints, including EV charging projects, planning and managing network demand, delivering community energy storage projects, and managing councils' street-lighting.

They are focussed on building transparent and collaborative interactions and developing a partnership approach with councils to support their strategies to achieve net zero for their cities and communities. All NSW DNSPs recognise council input to locations as critical for best community outcomes.

Many councils across NSW already have developed EV strategies. The NSW DNSPs would aim to align the roll-out of kerbside chargers with these strategies to ensure each councils' priorities are addressed and supported. As presented in the answer to Q3(A), the Essential Energy located councils will be engaged through the use of a live and free to use tool to provide feedback across all network suitable poles in their LGA as per social suitability. This tool has been tested on 5x LGAs, with learnings been used to develop this tool for access across all LGAs.

As described above, DNSPs' intent is to fill in the gaps in the commercial rollout of EV chargers. When deciding on locations under a potential DNSP-led rollout of kerbside EV chargers, we would work closely with local councils as well as the NSW Government and local communities.

In particular, DNSPs recognise there have been some concerns from local councils and local communities around dedicated parking for EV chargers. Unlike commercial providers, DNSPs would be less dependent on maximising utilisation rates, instead focused on a broader set of objectives, and so would not be reliant on dedicated parking for kerbside EV chargers rolled out. We expect this to reduce the risk of objections to EV charging infrastructure being installed.

Question Four (Supplementary Question) – Data Transparency

Are you satisfied with the current data transparency obligations of DNSPs?

Current data transparency obligations placed on DNSPs in relation to Facilities Access Arrangements are appropriate. FAAs with charge point operators are commercial in confidence. As with any other commercial agreements which may be negotiated by DNSPs with a third party, these agreements typically contain detailed and competitively sensitive terms. Accordingly, fees and related terms under these agreements are commercial in confidence. Any disclosure of these terms could affect the legitimate interests of the parties involved, compromise future dealings and potentially undermine competitive neutrality.

If NSW DNSPs were permitted to roll-out kerbside EV chargers as part of their regulated business, we anticipate the NSW DNSPs would be subject to reporting obligations and regulatory oversight from the AER, consistent with the existing extensive reporting obligations for their regulated services. We note that consumer protections and reporting requirements to the AER do not apply to commercial charging providers.

Under a regulated NSW DNSP kerbside roll-out, there would also be an opportunity for a consistent approach on reporting on key reliability measures, such as uptime for EV chargers and the pace of the roll-out to provide EV drivers and the NSW Government with greater confidence in the chargers being rolled out and allow clearer assessment of whether they are meeting stated policy goals.