Submission No 65

INFRASTRUCTURE FOR ELECTRIC AND ALTERNATIVE ENERGY SOURCE VEHICLES IN NSW

Organisation: AGL Energy

Date Received: 2 May 2025



AGL Energy Limited T 02 9921 2999

agl.com.au ABN: 74 115 061 375 Level 24, 200 George St Sydney NSW 2000 Locked Bag 14120 MCMC Melbourne VIC 8001

Ms Lynda Voltz, MP Chair, Committee on Transport and Infrastructure Parliament of New South Wales Macquarie Street Sydney NSW 2000

2 May 2025

Dear Ms Voltz,

AGL Energy (AGL) welcomes the opportunity to make a submission to the New South Wales Parliamentary Inquiry into Infrastructure for electric and alternative energy source vehicles in NSW (the Inquiry).

Proudly Australian since 1837, AGL delivers around 4.5 million gas, electricity, and telecommunications services to our residential, small, and large business, and wholesale customers across Australia. AGL operates the largest electricity generation portfolio in Australia of any ASX-listed company, with a total operated generation capacity of almost 8000 MW across Australia. AGL is Australia's largest privately owned hydro power station operator and operates the largest portfolio of renewables and storage assets of any ASX listed company. Since 2006, AGL has invested billions of dollars in the construction and delivery of over 2 GW of renewable and firming capacity in the National Electricity Market (NEM).

AGL's views relate to two broad topics under consideration; the funding and location of electric vehicle chargers or infrastructure, and the use of existing infrastructure and measures to ensure a competitive market, including 'ring fencing' policies. Our submission is informed by our experience in delivering EV products and services to customers, including the following:

- AGL has partnered with PLUS ES to expand New South Wales EV Charging network by installing 149 public chargers – <u>Kerbside Charger - Pole Charging in Australia</u>.
- AGL's electric vehicle (EV) plans attracted over 22,000 customers in FY24 this includes the Night Saver EV Plan, a time-of-use (TOU) plan where customers are encouraged to charge their vehicle overnight for as low as \$5.
- We also offer EV home and commercial charging products and EV subscriptions <u>Electric Vehicles |</u> <u>AGL</u>.

Choice and availability of EV charging infrastructure is critical to help drive EV uptake. The EV market is in its early stages in Australia, and the rollout of public charging and other supporting infrastructure is even more nascent. At present, most charging activity occurs in the home or workplace,¹ so we lack strong indicators of what consumer preferences will be when it comes to publicly available infrastructure.

On this basis, the Inquiry should consider that actions taken to facilitate growth in public EV chargers must maintain optionality, as consumer preferences and technology options evolve. It is critical that consumer choices are not unfairly limited early on; for example, public funding for specific technology options should be complemented by measures to safeguard and promote other forms of charging.

¹ <u>https://electricvehiclecouncil.com.au/docs/is-there-enough-charging-infrastructure-to-support-electric-vehicles-in-australia/</u> accessed 28 April 2025



Facilitating choice facilitates competition, and a competitive market for public EV charging infrastructure is most likely to deliver better consumer outcomes, putting customers at the centre by ensuring more EV charging is delivered where customers want to charge, and with high customer usability at the lowest cost.

Other parties, such as distribution network service providers (DNSPs) and local councils, currently own and maintain infrastructure that are necessary to roll-out different forms of public charging infrastructure. These entities are already playing an integral role in facilitating the transition to EVs. In the case of DNSPs, this role includes providing access to customer funded assets like power poles and developing new tariffs that incentivise EV load-shifting. Improvements in publicly available standardised network capacity information and charging connection processes would enable competitive providers of EV charging infrastructure to have open access to electricity networks and to develop innovative solutions that meet customer needs.

Conversely, a key option under consideration is pole-mounted EV charging, owned and maintained by DNSPs making use of existing infrastructure. AGL is concerned that focusing solely on a DNSP-led EV charging infrastructure roll-out could have detrimental effects on the ability and incentive for competitive providers, like retailers, to deploy these assets, and consequently risk less efficient and higher cost deployment of such assets by regulated monopoly providers. While AGL is supportive of time-bound trials to test different models to deliver EV charging infrastructure, these initiatives should be accompanied by commitments to 'checks and balances,' which ensure other options can continue to be pursued in the interest of consumers.

As a general economic principle, monopoly service providers are incentivised to over price and under service customers. Economic regulation is essential to define the required service and allowed returns for such providers. Should DNSP-led public EV charging be captured by the regulatory network determination framework, customers will pay for these assets through Regulated Asset Base for years, with a guaranteed return for the DNSP and cost recovery occurring regardless of utilisation levels or need for the assets and services.

Ringfencing is important to maintain alternative providers' confidence that they will have fair access to connect to the distribution network and that the network owner does not exploit their position to effectively impose an unregulated monopoly in adjacent markets, like public EV charging connected to the distribution network. Waivers to ring fencing requirements, where justified, should be exceptional, limited and narrowly defined to achieve the specific purpose. AGL appreciates that trialling new technologies or service delivery methods across Consumer Energy Resources will require ongoing flexibility in administering the regulatory framework. However, flexibility should not come at the expense of competition, which ultimately comes at the expense of consumers.

Should you have any questions in relation to this submission, please contact Liz Gharghori on 03 8633 6723.

Yours sincerely,

Ralph Griffiths

GM Policy and Market Regulation

AGL Energy