

To: Australian Energy Regulator
From: Evie Networks
Subject: Submission on the PLUS ES Trial Waiver Application dated 29 August 2024
Date: 22 November 2024
By email: regulatorysandbox@aer.gov.au

Introduction

Thank you for the opportunity to respond to the PLUS ES trial waiver application. Evie Networks (Evie) strongly supports the objectives of the Energy Innovation Toolkit to foster innovation in the energy market while ensuring fair and equitable outcomes for consumers and participants. Trials should align with the principles outlined in the **AER Trial Projects Guidelines**¹ and **Explanatory Statement**.² Principles especially relevant to the PLUS ES application are that trials should:

1. **Contribute to regulatory and industry experience:** Trials must provide meaningful insights into regulatory and operational improvements that benefit all stakeholders (*Trial Guidelines*, Section 4.2(a)(i)).
2. **Protect consumers:** Trials must maintain adequate consumer protections, mitigating risks to all parties involved (*Trial Guidelines*, Section 4.2(a)(viii)).
3. **Promote competitive neutrality:** Trials must avoid distorting competition or creating an uneven playing field (*Trial Guidelines*, Section 4.2(a)(xii)).
4. **Be appropriately scoped:** Trials are appropriate for projects that are beyond initial research and development and not commercial rollouts (*Trial Guidelines*, Section 4.2(a)(x)).
5. **share knowledge developed:** A trial should provide for public sharing of knowledge, information, and data resulting from the trial project (*Trial Guidelines*, Section 4.2(a)(xvi)).

This submission evaluates the PLUS ES application against these principles and raises concerns regarding its excessive scale, competitive implications, lack of transparency, and insufficient knowledge-sharing commitments.

¹ Australian Energy Regulator, *AER Final Trial Projects Guidelines – Regulatory Sandboxing*, January 2023, available at <https://www.aer.gov.au/documents/aer-final-trial-projects-guidelines-regulatory-sandboxing-january-2023>.

² Australian Energy Regulator, *Explanatory Statement: AER Final Trial Projects Guidelines – Regulatory Sandboxing*, January 2023, available at <https://www.aer.gov.au/documents/aer-final-trial-projects-guidelines-regulatory-sandboxing-explanatory-statement-january-2023>.

Key Concerns and recommendations

1. Excessive scale of the trial

The proposed deployment of up to 1,000 chargers significantly exceeds the scope of what is reasonably contemplated by the **AER Trial Projects Guidelines**. Trials should remain exploratory and limited to reduce risks to market integrity. This is especially important when considering the nascent stage of the EV market. As of December 2023, there are an estimated 812 public fast-charging sites and an unmapped but small number of AC on-street charging sites.³ Given that EVs represent only 1% of the national vehicle fleet,⁴ this scale is excessive for a trial and risks functioning as a commercial market rollout of the altered metering technology.

Moreover, the trial's scale may distort the outcomes of government funding programs, such as the NSW Kerbside Funding Grants, where cost efficiency is a key criterion. Waiver-enabled cost advantages for PLUS ES could unfairly impact grant allocations at the scale of 500–1,000 chargers.

Recommendation: Limit the trial to a maximum of 10–20 chargers per jurisdiction. This scope is sufficient to evaluate installation feasibility, cost efficiency, and metering compliance without distorting the competitive landscape.

2. Competitive implications

The proposed trial raises significant concerns about potential market distortions and unfair competitive advantages. The **AER Explanatory Statement** emphasises that the AER must take into account:

"Whether trialling the project would confer an unfair competitive advantage on the proponent that could be detrimental to competition in an energy market, including the potential for cross-subsidisation and discrimination." (*Explanatory Statement*, January 2023, p. 10).

PLUS ES, as an entity owned by Ausgrid (a regulated monopoly under the **National Electricity Law**), benefits from structural advantages that independent charge point operators (CPOs) cannot replicate. Evie is concerned about potential preferential access to infrastructure and resources. Combined with the trial's proposed scale, these advantages create risks of market distortion and competitive inequities.

Key concerns:

1. **Barriers for competitors:**

This waiver will only currently apply to PLUS ES. For independent CPOs, a waiver would require collaboration with accredited Metering Coordinators, Metering Providers, and Metering Data Providers—entities largely owned by DNSPs. This

³ Electric Vehicle Council, [Australian Electric Vehicle Industry Recap 2023](#), December 2023.

⁴ Ibid - ~150,000 registered EVs as compared to ~20M registered passenger vehicles.

creates significant barriers for independent operators who may struggle to secure similar support. Furthermore, DNSP-affiliated metering providers, such as PLUS ES, have incentives to prioritise their own interests by withholding support for competitors' projects. These dynamics risk entrenching DNSPs' dominance and limiting market access for independent CPOs.

2. **Market distortion:**

PLUS ES states the trial will "improve industry understanding of the most suitable business and ownership models for EV chargers installed on distribution poles." However, the scale of this trial allows PLUS ES to solidify first-mover advantages, securing prime locations and cost efficiencies that competitors cannot match. This risks locking independent operators out of the market, reducing competition and consumer choice. Importantly, the metering technology under trial can be effectively evaluated at a smaller scale without these distortive impacts.

Recommendation:

To ensure competitive neutrality and promote a healthy market ecosystem:

- **Cap the trial size and extend waivers:** Limit the trial to a smaller scale (as recommended in Section 1) and extend equivalent waivers to other accredited entities and independent CPOs.
 - These measures align with the AER regulatory sandbox regime's goal to promote innovation and competition while ensuring trials contribute positively to the energy market without disadvantaging independent participants.
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3. Lack of transparency

The absence of transparency regarding the facilities access agreement between PLUS ES and Ausgrid raises concerns about potential cross-subsidisation and preferential terms. Transparent access agreements are essential to maintain trust in the regulatory framework and ensure fair market participation.

Recommendation: Require Ausgrid and PLUS ES to publicly disclose their facilities access agreements to establish equitable benchmarks for future kerbside charging deployments.

4. Insufficient knowledge sharing

While the application commits to sharing outcomes with AEMO and the AER, it lacks sufficient detail on broader knowledge-sharing mechanisms. Industry-wide learnings are critical to achieving the AER's goals of improving regulatory frameworks and fostering innovation.

In addition to technical findings, the trial will generate insights into the business model implications of innovative metering solutions. This includes granular data on the cost of procuring and installing chargers, operational challenges, and end-user behaviours. These

insights should be shared to enable stakeholders across the EV charging ecosystem to develop sustainable business models.

Recommendation:

Require PLUS ES to publicly share trial findings, including:

1. **Detailed cost data:** Costs associated with procuring and installing the chargers, including any efficiencies from integrated metering solutions.
2. **Operational learnings:** Challenges encountered during deployment and maintenance, and how these were addressed.
3. **Consumer insights:** EV user behaviour data, anonymised as necessary, to support market planning.
4. **Impact on business models:** Implications of integrated metering solutions for ownership and operation models in the kerbside EV charging ecosystem.

These findings should be disseminated through publicly accessible reports and stakeholder forums to maximise industry impact.

Conclusion

Evie Networks supports innovation that enhances Australia's EV charging network, but the PLUS ES trial waiver application, as currently proposed, raises significant concerns. The trial's excessive scale, competitive implications, lack of transparency, and insufficient knowledge-sharing commitments risk undermining consumer outcomes and market integrity.

We strongly urge the AER to adopt the recommendations outlined in this submission. By limiting the scale of the trial, ensuring equitable competition, mandating transparency, and requiring comprehensive knowledge-sharing, the AER can enable meaningful innovation while safeguarding the long-term interests of all stakeholders.