

14 March 2019

Australian Energy Markets Commission (AEMC)
Via online submission

To whom it may concern

Draft Report – Updating the regulatory frameworks for embedded networks

Thank you for the opportunity to make a submission on the draft report into embedded networks. We thank the AEMC for the opportunity to comment.

Australian Gas Infrastructure Group (AGIG) is one of Australia's largest utility businesses. Our assets are in all mainland states of Australia and the Northern Territory, and include gas distribution networks, gas transmission pipelines and storage facilities. We serve over 2 million customers, with 34,000km of distribution networks and over 3,500km of transmission pipelines.

While gas networks have not been considered in detail in the draft report, we believe it is important to consider the regulatory treatment for embedded gas networks which are becoming more common. We support the intention to review and develop specific rules for embedded gas networks in 2019.

We agree with the principles outlined in the Draft Report for electricity networks. In particular, that embedded networks and on-selling retailers be registered so that customers "be provided the same protections, access to retail market competition and regulatory oversight as standard supply customers".

Nonetheless, differences between electricity and gas networks, particular the structure of National Gas Law and Rules, mean that the proposals for electricity may not be directly applicable. These differences will require analysis for gas networks and gas-specific proposals to amend Natural Gas Law and Rules, but with the same overarching objective that customers be provided the same protections.

We therefore support the recommendation that the AEMC consider the benefits "in developing a national framework for gas embedded networks, and what such a framework should cover" in 2019.

Once again, I thank you for the opportunity to provide a submission to the draft report and we look forward to participating in further work on gas embedded networks. Should you require any additional information please contact Drew Pearman, Manager Policy and Government Relations on 08 9223 4341 or email drew.pearman@agig.com.au.

Yours sincerely

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