



Mr James Tyrrell  
Australian Energy Market Commission

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2 December 2021

Dear Mr Tyrrell,

**Review into extending the regulatory framework to hydrogen blends & renewable gases (EMO0042) – Consultation paper**

ENGIE Australia & New Zealand (ENGIE) appreciates the opportunity to respond to the Australian Energy Market Commission (“the Commission”) in response to the Consultation paper on extending the regulatory framework to hydrogen blends and renewable gases (“the Consultation paper”).

The ENGIE Group is a global energy operator in the businesses of electricity, natural gas and energy services. In Australia, ENGIE has interests in generation, battery storage, renewable energy development, and energy services. ENGIE also owns Simply Energy which provides electricity and gas to more than 745,000 retail customer accounts across Victoria, South Australia, New South Wales, Queensland, and Western Australia.

**Hydrogen is an important component of a future carbon free world**

ENGIE believes that hydrogen has the capacity to unlock the full potential of renewables and carbon-free energy solutions. It is capable of accelerating the energy transition by allowing numerous green energy technologies to be used with much greater flexibility.

ENGIE is committed to developing solutions based on renewable hydrogen, produced by electrolysis using a green energy supply. Hydrogen is the missing link for a decarbonised ecosystem, allowing for the harmonious progress of cities, territories and societies around the globe.

ENGIE’s aim is to operate across the entire value chain of renewable hydrogen, from carbon-free power generation to the three key end uses: mobility, industry and energy storage.

ENGIE is already partnering with governments and other businesses on trials, feasibility studies, and early commercial projects in order to develop the know-how that will allow the hydrogen sector to scale up quickly. This involvement has a global footprint, including projects in (amongst others) France, Singapore and Australia.

Notably, ENGIE is project lead on one of the three ARENA-supported commercial-scale renewable hydrogen projects: a 10 MW electrolyser project to produce renewable hydrogen in a consortium with Yara Pilbara Fertilisers at their Karratha plant. ENGIE is also a partner in one of the other projects, a 10 MW electrolyser for gas blending at AGIG's Murray Valley Hydrogen Park in Wodonga.

In this light, we welcome the AEMC Consultation paper. Our detailed response to the questions in the Consultation paper are attached in the requested template format. Our positions can be summarised as follows:

### **NG equivalents**

Since the NG equivalent definition is predicated on not requiring users to change their appliances, there should be little to no impact on end users of substitution of natural gas with an NG equivalent. Accordingly, it seems sensible to apply the same regulatory framework. Creating a different framework could, in certain circumstances create a perverse incentive (or disincentive) to switch to an NG equivalent that is driven by regulatory arbitrage rather than genuine commercial agreement.

Nevertheless, the different characteristics of NG equivalents and the potential for new injection points are likely to throw up some practical issues. The Commission has touched on many of these in Chapters 5-7 of the Consultation paper. ENGIE considers that these issues require working through in greater depth with a representative range of stakeholders. These practical detailed issues are well suited to a working group in the first instance and then wider consultation on the working group's proposals. Accordingly, we have not provided a detailed response to many of the questions from these chapters.

### **Other gases**

By contrast, other gases (including constituent gases) are an emerging industry sector. National and jurisdictional hydrogen strategies envisage a rapid ramp up in production and consumption, including new production methods, new end use cases and the creation of an export market. Accordingly, it's important to:

- a) not stifle innovation and effective market development with excess or inflexible regulations
- b) not assume that concerns relating to the natural gas market must be relevant to hydrogen.

Hydrogen production is likely to be more competitive than natural gas production, given latter is dependent on access to underground resource and typically controlled by small number of large companies. Hydrogen can be produced by multiple methods, and green hydrogen from electrolysis is open to anyone with access to electricity and water. Initially, hydrogen should be considered as a general commodity, and few other commodity markets are regulated to the extent the natural gas market is.

Some elements of the natural gas regulatory framework are idiosyncratic – there are three different designs of commodity market (short-term trading market, declared wholesale gas market and gas hubs), for example. Others, such as market transparency mechanisms and elements of the pipeline regulation framework have emerged as a result of specific concerns relating to Australia's natural gas market and the market impact of the LNG sector. So, they do not necessarily represent a general regulatory blueprint applicable to other commodities.

ENGIE notes that few of the Commission's questions relate to other gases as the Commission is focussed on natural gas equivalents at this stage. ENGIE considers this focus appropriate.

Should you have any queries in relation to this submission please do not hesitate to contact me on, telephone, (03) 9617 8415.

Yours sincerely,

A handwritten signature in blue ink, appearing to read 'J. Lowe'.

**Jamie Lowe**

Head of Regulation,

Compliance, and Sustainability

# Review into extending the regulatory frameworks to hydrogen and renewable gases

## STAKEHOLDER FEEDBACK TEMPLATE

The template below has been developed to enable stakeholders to provide their feedback on the questions posed in the consultation paper and any other issues that they would like to provide feedback on. The AEMC encourages stakeholders to use this template to assist it to consider the views expressed by stakeholders on each issue. Stakeholders should not feel obliged to answer each question, but rather address those issues of particular interest or concern. Further context for the questions can be found in the consultation paper.

### SUBMITTER DETAILS

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**ORGANISATION:** ENGIE Australia and New Zealand (ENGIE)

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**DATE** 2 December 2021

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### PROJECT DETAILS

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**NAME OF RULE CHANGE:** Review into extending the regulatory frameworks to hydrogen and renewable gases

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**PROJECT CODE:** EMO0042

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**PROPONENT:** Energy Ministers

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**SUBMISSION DUE DATE:** 2 December 2021

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### QUESTION 1 – CHAPTER 1 – INTRODUCTION

1. Do you agree with the Commission's preliminary position on the scope of this review?	Yes
2. Are there additional areas in the NGR or NERR that should be excluded or included in the current review? If so, why?	n/a

### QUESTION 2 – CHAPTER 2 – ASSESSMENT FRAMEWORK

3. Do you agree with the Commission's proposed assessment framework for this review?	Yes
4. Are there any criteria the Commission should or should not consider as a part of its assessment framework??	n/a

### QUESTION 3 – CHAPTER 3 – SUPPLIER ACCESS TO PIPELINES

5. Do you think that any additional guidance is required in the NGR to deal with connections by suppliers of natural gas equivalents or constituent gases, or are the new draft interconnection rules sufficient? If you think additional guidance is required, please set out what guidance you think is required.	ENGIE is not aware at this stage of additional guidance requirements.
6. Do you think service providers should be required to publish information on where connections by suppliers of natural gas equivalents or constituent gases would be technically feasible, or should this just be left to negotiations?	Service providers have a commercial incentive to avoid stranded assets as the economy decarbonises by facilitating the uptake of natural gas equivalents. Publication requirements should not be necessary. There may be some value in a co-ordinated approach to making such information broadly available in a consistent manner on an opt-in basis.
7. Do you think that any specific rules are required in the NGR to deal with the risk that service providers may favour their own natural gas equivalents or constituent gas facilities by curtailing other facilities ahead of their own, or do you think this should be dealt with through ring-fencing arrangements?	In the first instance, this could be dealt with through existing ringfencing arrangements which avoids introducing more new regulation that is required. Should this approach prove insufficient, the issue could be revisited once the industry further develops.

## QUESTION 4 – CHAPTER 3 – RING-FENCING ARRANGEMENTS

8. Do you think the ring-fencing exemptions in the NGR should be amended to accommodate trials by service providers? Why?	ENGIE has no objection to a flexible approach to trials. However, this should not be taken as an indication that ringfencing will or should be relaxed for larger scale production of natural gas equivalents. There are numerous prospective producers of constituent gases for blending or for biomethane, so it's unlikely that service providers will find it difficult to find partners for trials.
9. If so, do you think there should be any limit on the volume service providers should be able to produce, purchase or sell (e.g., up to the unaccounted for gas level)?	If the unaccounted for gas level (UAG) is a simple threshold to apply, then that is a reasonable starting point.
10. Do you think any other changes need to be made to the ring-fencing provisions in the NGL or NGR to accommodate natural gas equivalents or constituent gases?	ENGIE is not aware of any further changes required.

## QUESTION 5 – CHAPTER 3 – RULES FOR SCHEME PIPELINES

11. Do you think Part 9 of the NGR should be amended to provide the regulator with additional guidance on how to assess service provider proposals to transition to natural gas equivalents in those cases where a jurisdiction does not mandate the transition? If so, please explain what changes you think need to be made and why.	The Australian Energy Regulator (AER) are best placed to indicate whether they consider the existing NGR is sufficient for them to give due consideration to voluntary transition proposals. The related issue of service provider stranding risk is covered in their "Regulating gas pipelines under uncertainty" information paper, but this does not directly address the matter of voluntary transition costs.
12. Do you think Part 9 of the NGR should be amended to clarify how government grants or funding are to be treated for regulatory purposes?	As above, if the AER considers the existing NGR provides sufficient guidance, then on the principle of economy of regulation, no amendment should be required.
13. Do you think any of the other rules that will apply to scheme pipelines under the new regulatory framework need to be amended to accommodate pipelines hauling natural gas equivalents or constituent gases?	ENGIE is not aware of any further amendments required.

## QUESTION 6 – CHAPTER 3 – RULES FOR NON-SCHEME PIPELINES

<p>14. Do you think the arbitration principles applying to non-scheme pipelines should be amended to:</p> <ul style="list-style-type: none"> <li>a) require the arbitrator to take into account any regulatory obligation that a pipeline may be subject to?</li> <li>b) provide the arbitrator with greater guidance on how to assess proposals by a service provider to transition to transporting a natural gas equivalent where the transition is not mandated?</li> <li>c) clarify how government grants are to be treated?</li> </ul>	<p>While the AER consults on its approach to regulation from time to time, arbitrators do not. There is thus a stronger case for amending the principles as set out in Q14, to provide greater clarity and guidance.</p>
<p>15. Do you think any of the other rules that will apply to non-scheme pipelines under the new regulatory framework need to be amended to accommodate pipelines hauling natural gas equivalents or constituent gases?</p>	<p>ENGIE is not aware of any further amendments required.</p>

## QUESTION 7 – CHAPTER 3 – PIPELINE GAS INFORMATION

<p>16. Do you think service providers should be required to publish information on:</p> <ul style="list-style-type: none"> <li>a) the type of gas they are licensed to transport in their user access guides and, in the case of scheme pipelines, the access arrangement and access arrangement information? Why?</li> <li>b) any firm plans to conduct either a trial or to transition the pipeline (or part of the pipeline) to a natural gas equivalent or other gas product? Why?</li> </ul>	<p>These requirements do not appear onerous and would be useful to potential producers of constituent gases for blending and for producers of other natural gas equivalents such as biomethane. If a pipeline is not licensed to transport their product, then that will have a significant bearing on their decision where to locate their facilities and/or their options for getting their product to market.</p>
<p>17. Do you think this information should also be reported on the AEMC's Pipeline Register?</p>	<p>If such requirements are introduced, then the information should also be reported on the AEMC's Pipeline Register for completeness</p>

## QUESTION 8 – CHAPTER 4 – EXTENSION OF THE TRANSPARENCY MECHANISMS TO NATURAL GAS EQUIVALENTS

<p>18. Except for blending facilities are there any other facilities or activities involved in the supply or use of natural gas equivalents that are not already captured by:</p> <ul style="list-style-type: none"> <li>c) the BB facilities listed in rule 141 of Part 18 of the NGR?</li> <li>d) the DWGM registration categories in rule 135A of Part 15A of the NGR?</li> </ul>	<p>ENGIE is not aware of any such facilities or activities. For clarity, ENGIE considers that hydrogen production facilities and hydrogen-only transportation or storage infrastructure should not at this early stage of industry development be brought into the natural gas regulatory framework.</p>
<p>19. If the information to be reported by facilities involved in the production, transportation, storage, compression and or use of natural gas equivalents is to be based on the information reported by their natural gas counterparts, are any amendments required to reflect differences in the physical characteristics of these facilities compared to natural gas facilities for:</p> <ul style="list-style-type: none"> <li>a) the Bulletin Board reporting obligations in Part 18 of the NGR?</li> <li>b) the GSOO content in rule 135KB of Part 15D of the NGR?</li> <li>c) rules 323-324 in Part 19 of the NGR?</li> <li>d) the compression and storage reporting obligations in Part 18A of the NGR?</li> <li>e) the price information to be published by the AER in proposed rule 140B in Part 17 of the NGR?</li> </ul>	<p>Since the NG equivalent definition is predicated on not requiring users to change their appliances, there should be little to no impact on end users of substitution of natural gas with an NG equivalent. Accordingly, it seems sensible to apply the same regulatory framework. Creating a different framework could, in certain circumstances create a perverse incentive (or disincentive) to switch to an NG equivalent that is driven by regulatory arbitrage rather than genuine commercial agreement.</p>
<p>20. Should blending facilities be treated as production facilities for the purposes of the Bulletin Board, GSOO and VGPR, or should specific reporting obligations be developed for these facilities? Why? If you think specific reporting obligations are required, what should these be?</p>	<p>The main piece of information in respect of blending facilities that may be different from other facilities already under the aegis of the transparency mechanisms is the blending level that results. To the extent this information can be reported under the existing obligations then no specific obligations should be required.</p>
<p>21. Are there any other gaps in the NGR that have not been identified that would need to be addressed if the five transparency mechanisms were to be extended to natural gas equivalents? Why? If you think there are other issues, what are they and what amendments are needed?</p>	<p>ENGIE is not aware of any such gaps at this stage.</p>

## QUESTION 9 - CHAPTER 4 – EXTENSION OF THE TRANSPARENCY MECHANISMS TO CONSTITUENT GASES

<p>22. Do you think the following transparency mechanisms should be extended to the facilities and activities involved in the supply of constituent gases as part of the initial rules package or should the application of one or more be deferred until a later process? Why?</p> <p>A) The Bulletin Board B) The GSOO C) The VGPR D) The compression and storage terms and prices E) The AER’s gas reporting functions.</p>	<p>No. Constituent gases such as renewable hydrogen are an emerging industry sector. National and jurisdictional hydrogen strategies envisage a rapid ramp up in production and consumption, including new production methods, new end use cases and the creation of an export market. Accordingly, it’s important to:</p> <p>a) not stifle innovation and effective market development with excess or inflexible regulations b) not assume that concerns relating to the natural gas market must be relevant to hydrogen.</p> <p>Hydrogen production is likely to be more competitive than natural gas production, given the latter is dependent on access to underground resource and typically controlled by small number of large companies. Hydrogen can be produced by multiple methods, and green hydrogen from electrolysis is open to anyone with access to electricity and water. Initially, hydrogen should be considered as a general commodity, and few other commodity markets are regulated to the extent the natural gas market is.</p> <p>Some elements of the natural gas regulatory framework are idiosyncratic – there are three different designs of commodity market (short-term trading market, declared wholesale gas market and gas hubs), for example. Others, such as market transparency mechanisms and elements of the pipeline regulation framework have emerged as a result of specific concerns relating to Australia’s natural gas market and the market impact of the LNG sector. So, they do not necessarily represent a general regulatory blueprint applicable to other commodities.</p>
<p>23. If you think the transparency mechanisms should be extended as part of the initial rules package:</p> <p>a) What facilities do you think need to be captured? b) Do you think the facilities and activities involved in the supply of constituent gases should be subject to equivalent reporting obligations as their natural gas counterparts, or are some modifications required to reflect differences in the physical characteristics of these facilities?</p>	<p>See answer to Q22 above</p>
<p>24. Are there any other gaps in the NGR that have not been identified that would need to be addressed if the transparency mechanisms were to be extended to constituent gases? Why? If you think there are other issues, what are they and what amendments are needed?</p>	<p>See answer to Q22 above</p>

## QUESTION 10 - CHAPTER 5 – TRADING NATURAL GAS EQUIVALENTS IN THE FACILITATED GAS MARKETS

<p>25. Do you think natural gas equivalents should be traded through the facilitated markets, or outside of the facilitated markets?</p>	<p>As noted in the response to Q19, it is generally preferable to treat NG equivalents in the same way as natural gas as far as possible. So, this should be the default option. ENGIE notes that this approach may introduce some complexity, because:</p>
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	blended gases may have different energy content when compared by volume to natural gas; and because NG equivalents may be injected at different points into the system, including downstream of the notional point at which STTM products are traded, for example. ENGIE considers that these issues require working through in greater depth with a representative range of stakeholders. These practical detailed issues are well suited to a working group in the first instance and then wider consultation on the working group's proposals. Accordingly, ENGIE is not making detailed comments on the remainder of the questions in Chapter 5 at this stage.
26. What do you consider are the implications of these two options, in terms of required regulatory changes, costs of implementation and potential market inefficiencies?	n/a

### QUESTION 11- CHAPTER 5 – FACILITATED MARKETS REGISTRATION CATEGORIES

27. If natural gas equivalents are to be integrated into the facilitated markets, are new registration categories required to accommodate facilities and participants involved in the creation of these products, including through the injection of blends into the distribution system?	n/a
28. If flows associated with distribution-connected blending facilities are not scheduled in facilitated markets, are new registration categories required for blending facilities and associated participants or can they be exempted from registration?	n/a

### QUESTION 12- CHAPTER 5 – UNACCOUNTED FOR GAS IN THE FACILITATED MAKRETS

29. Do you think initial trials involving the injection of natural gas equivalents into the distribution system should be accommodated by amending jurisdictional arrangements for UAFG?	n/a
30. if so, how will this impact the operation of the matched allocation mechanism (as used by the distributor in the Sydney STTM hub)?	n/a
31. What changes would be required to UAFG arrangements in the DWGM?	n/a

### QUESTION 13 - CHAPTER 5 – SETTLEMENT ISSUES IN THE FACILITATED MARKETS

32. If distribution connected blending facilities are not integrated into the facilitated markets, what settlement issues may arise?	n/a
33. If distribution injections and corresponding end use consumption need to be excluded from settlement, how should excluded consumption be treated? What factors might affect this?	n/a
34. If distribution connected blending facilities are integrated into the facilitated markets, are settlement issues in the STTM likely to be relatively straightforward to resolve? Why?	n/a
35. How should facilities exempted from registration, or that fall below a materiality threshold, be treated under settlement arrangements in the facilitated markets?	n/a

### QUESTION 14 - CHAPTER 5 – METERING AND HEATING VALUES IN THE FACILITATED MARKETS

36. Does the NGR restrict distributors' ability to calculate heating values in different parts of the distribution system to accommodate the different uses of natural gas equivalent gases in the facilitated markets?	n/a
37. Are amendments required to the NGR to facilitate the determination of more granular heating values and any other matters relating to the metering provisions for the DWGM?	n/a

### QUESTION 15 - CHAPTER 5 – GAS SPECIFICATION IN THE FACILITATED MARKETS

38. In relation to the STTM, do you think Part 20 of the rules should be amended to clarify that AS 4564 – 2005 can be augmented or replaced to accommodate blending in certain parts of STTM distribution systems? Are any other changes required, including to accommodate impacts on connected transmission pipelines?	n/a
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39. In relation to the DWGM, do you think Part 19 of the rules should be amended to give AEMO (or another party) the ability to directly determine the gas specification on distribution systems?	n/a
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## QUESTION 16 - CHAPTER 5 – BLENDING CONSTRAINTS IN THE FACILITATED MARKETS

40. Who should be responsible for the creation of natural gas equivalent blends and ensuring that these remain consistent with a revised gas specification?	n/a
41. In the DWGM, should AEMO be given operational control over the distribution system to manage blending constraints? If so, what changes to the rules would be required?	Some party needs to be responsible for managing blending constraints. In general, ENGIE considers that the pipeline or pipeline system operator would be best placed to do this, as the party with the best understanding of the physical condition and characteristics of the pipelines. It's possible that in the specific case of the DWGM that AEMO be better placed.

## QUESTION 17 - CHAPTER 5 – OTHER IDENTIFIED ISSUES IN THE FACILITATED GAS MARKETS

42. Do the identified issues in the NGR and changes required cover all necessary changes to facilitate the trade of natural gas equivalents in the DWGM and STTM?	n/a
43. Are there any other issues the Commission should be aware of?	n/a
44. Are all of these changes required now for natural gas equivalents? Could some of these changes be made at a later date, or when other gas products are taken into consideration?	n/a
45. Are there any transitional issues?	n/a

## QUESTION 18 – CHAPTER 6 – INITIAL IDENTIFIED ISSUES IN THE REGULATED RETAIL MARKETS

46. Are changes to the retail market registration provisions required to accommodate natural gas equivalents?	ENGIE is not aware of any changes required.
47. Are there any other changes required to the retail market provisions in the NGR to accommodate natural gas equivalents?	ENGIE is not aware of any changes required.

## QUESTION 19 – CHAPTER 6 – OTHER POTENTIAL ISSUES IN THE REGULATED RETAIL MARKETS

48. Are there any issues the AEMC should consider in relation to the recovery of the cost of the renewable component of the natural gas equivalent from retail customers, for a natural gas equivalent?	There are likely to be issues arising in cases where a natural gas equivalent is injected at a point in the networks such that all customers downstream of that point receive that gas (or a share of it, where it is being added to natural gas flows). It's unlikely that the retailers of each of those customers are directly responsible for that injection decision. Retailers should not face financial losses because of the injection of a gas for which they are not responsible. Equally customers should not be required to pay a premium for such gases unless they have elected to do so or they are in a jurisdiction that has imposed a mandatory gas scheme, such that the costs of the scheme are shared by all consumers. The implications of this should be worked through, again potentially via a working group.
49. Are there any issues the AEMC should consider in relation to retail competition and consumer choice as a consequence of the introduction of natural gas equivalents?	See response to Q48 above.
50. How are these issues impacted by jurisdictional policies in relation to mandated renewable gas targets or mandated green value in a gas stream? Are any changes to the NGR and NERR needed, either now or in the near future, to address any concerns about competition, consumer choice and cost pass through of renewables in the retail market.	See response to Q48 above.

## QUESTION 20 - CHAPTER 7 – CONSUMER PROTECTION FRAMEWORK

<p>51. Do you consider that changes are required to the consumer protection framework to reflect the physical properties of natural gas equivalents compared to natural gas? Specifically:</p> <ul style="list-style-type: none"> <li>a) Should retailers be required to notify existing customers prior to the transition from the supply of natural gas to a natural gas equivalent that the customer is now being supplied with the natural gas equivalent and the changes the customer may see in relation to the quantity of gas metered at their premises following the transition?</li> <li>b) Should the model terms and conditions for standard retail contracts and the minimum requirements for market retail contracts be amended to make clear if the supply of gas under that contract is a supply of natural gas or a natural gas equivalent?</li> <li>c) Should retailers who receive requests for historical billing data from a customer be required to state in the billing information provided if there was a transition from natural gas to a natural gas equivalent during the billing history period for which information is requested, and the date at which the transition occurred?</li> <li>d) If the natural gas equivalent to be supplied has a different heating value from natural gas, should there be a requirement for retailers to issue a bill based on an actual meter read for customers with accumulation (non-interval) meters before supply is transitioned to a natural gas equivalent?</li> </ul>	<p>To the extent that the definition of natural gas equivalent is that changes to appliances are not required, customers should be relatively unimpacted by the transition (providing they are correctly billed for the energy content of the gas they receive). In the case of biomethane, they are getting the same type of molecule as before, just from a different source.</p> <p>However, there is risk of a customer backlash if they are not kept informed of this transition, even if the practical impacts are negligible. It would therefore be prudent to do so. As noted in the response to Q48 above, however, a customer’s retailer may not be directly responsible for the injection of natural gas equivalents that their customer receives. So, the question of who is responsible for informing the customer is a complex one. To the extent that the retailer faces new obligations (such as those listed in Q51 a-d) as a result of an injection of natural gas equivalent, then in turn the party responsible for that injection needs to inform the retailer. It may be practical for this obligation to fall on the transport service provider, who will necessarily be aware of the injection.</p> <p>There is also the question of cost recovery for a retailer if they have to provide additional meter reads or billing data due to an injection for which they are not responsible triggering obligations on them.</p>
<p>52. Are there any other gaps in the consumer protection framework that arise because of the difference in the physical properties of natural gas and natural gas equivalents?</p>	<p>ENGIE is not aware of any specific gaps. This would be a useful area of investigation for a working group.</p>
<p>53. Do you consider that customers should be informed if price variations occur because of the transition to natural gas equivalents?</p>	<p>Yes.</p>
<p>54. How should the risks of 'off spec' natural gas equivalents be allocated under the NERL and NERR? Is the existing allocation of risk for the quality of natural gas appropriate if distributors have responsibility for creating the natural gas equivalent (for example, through the operation of blending facilities)? What is the appropriate mechanism for managing loss suffered by customers as a result of 'off spec' natural gas equivalents?</p>	<p>This would be a useful area of investigation for a working group, noting that competing interests may mean it is hard for the group to arrive at a solution.</p>

## QUESTION 21 - CHAPTER 8 – REGULATORY SANDBOX ARRANGEMENTS

<p>55. Is it practicable for a retail customer to opt out of a change of product trial? If not:</p> <ul style="list-style-type: none"> <li>a) should the definition of explicit informed consent be required to provide information that the customer is unable to opt out of the trial for the period of the trial?</li> <li>b) should the AER have power to extend a change of fuel trial if retail customers cannot practicably opt out of the trial?</li> </ul>	<p>It's unlikely to be practical for individual customers on a reticulated gas network to be able to opt out. The trial proponent(s) should face responsibility for informing customers.</p>
<p>56. Are any changes to the consultation requirements regarding proposed trial waivers for change of product trials needed? For example, on the AER public consultation requirements for change of product trials.</p>	<p>The regulatory sandbox arrangements are relatively new. By definition if they are to be useful, they cannot be unduly prescriptive. But regulators will need to monitor trials for unanticipated consequences and work with trial proponents to resolve as necessary.</p>
<p>57. Should amendments be made to specify certain pre-conditions to the granting of a trial waiver for a change of product trial involving the sale and supply of an 'other gas product'? If so:</p> <ul style="list-style-type: none"> <li>a) should the applicant be required to provide this approval as part of its application for a trial waiver?</li> <li>b) should the rule change proponent for a trial rule be required to provide this approval as part of its request for the rule?</li> </ul>	<p>See response to Q56 above.</p>
<p>58. Are there any other gaps that would arise in the proposed regulatory sandbox framework if it is extended to natural gas equivalents, other gas products and constituent gases?</p>	<p>See response to Q56 above.</p>