

1 June 2015

Mr John Pierce  
Australian Energy Market Commission  
PO Box A2449  
Sydney South NSW 1235

Lodged electronically: [www.aemc.gov.au](http://www.aemc.gov.au)

Dear Mr Pierce,

**RE: Stage 1 Draft Report: East Coast Wholesale Gas Market and Pipeline Frameworks Review (GPR0003)**

The Energy Retailers Association of Australia (ERAA) welcomes the opportunity to provide comments in response to the Australian Energy Market Commission's (AEMC) Stage 1 Draft Report on the East Coast Wholesale Gas Market and Pipeline Frameworks Review (**Draft Report**).

The ERAA represents the organisations providing electricity and gas to almost 10 million Australian households and businesses. Our member organisations are mostly privately owned, vary in size and operate in all areas within the National Electricity Market (NEM) and are the first point of contact for end use customers of both electricity and gas.

The East Coast gas market is an increasingly important sector in the Australian economy. It is also going through a period of major development and change, which is recognised by the range of Government reviews and industry projects currently underway in relation to this market, including the Australian Competition and Consumer Commission's (ACCC) inquiry into competition in the wholesale gas market. The ERAA supports the AEMC working with the ACCC on its inquiry into the competitiveness of the wholesale gas industry. Efficient downstream and upstream gas markets are integral to ensuring gas supply continues to meet the needs of end use customers.

The ERAA believes that any changes to the downstream arrangements with respect to the East Coast must meet the National Gas Objective (NGO), which seeks to promote economic efficiency in the long term interests of gas consumers. The ERAA supports measures that will increase the transparency, productivity and economic efficiency of the East Coast gas markets and which promote competition in upstream markets. The short term practical initiatives identified in the Draft Report are viewed as likely to achieve beneficial market outcomes, consistent with the NGO and are supported in principle by the ERAA.

Any medium or long term market based development initiatives to be explored in Stage 2 of the AEMC's review must only be considered where there is a demonstrated market failure and be subject to a robust cost benefit analysis.



Should you wish to discuss the details of this submission, please contact me on (02) 8241 1800 and I will be happy to facilitate such discussions with my member companies.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Cameron O'Reilly', written in a cursive style.

Cameron O'Reilly  
CEO  
Energy Retailers Association of Australia