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Via online submission

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### **EMO0036: Updating the regulatory frameworks for embedded networks**

Jemena Limited (**Jemena**) welcomes the opportunity to comment on the Australian Energy Market Commission's (**AEMC**) draft report on updating the regulatory frameworks for embedded networks (**Draft Report**).

Jemena owns and operates the Jemena Gas Networks (NSW) Ltd (**JGN**) that delivers natural gas to over 1.4 million homes and businesses throughout NSW. Jemena also owns and operates the Jemena Electricity Networks (Vic) Ltd (**JEN**) which delivers electricity to over 330,000 homes and businesses across north and western Melbourne.

In NSW, the fastest growing residential segment is the high-rise market. Increasingly, this market is served by centralised energy services businesses, which provide hot water, natural gas and electricity services via embedded networks.

Given the recent growth in this market, Jemena supports the AEMC's plans to investigate a national framework for gas embedded networks prior to finalising the current review.<sup>1</sup> A national framework for gas embedded network providers would help to ensure that protections offered to customers using gas in the high rise market segment are consistent with those offered to embedded electricity customers.

It is currently unclear whether hot water services directly derived from electricity or gas would or could be captured by any changes to the national gas law and rules. Regardless, the AEMC has an opportunity to trigger positive change for these hot water customers who may utilise gas for cooking via an unmetered daily charge. The AEMC should consider the protections offered to customers of hot water services provided by embedded network providers, including ombudsman access to identify where solutions or areas for further work arise.

To ensure that the market for centralised energy services businesses remains competitive, it will be important to ensure that the benefits of any additional regulatory obligations placed on these businesses are clearly articulated, and do not detrimentally impact further competition in this market.

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<sup>1</sup> AEMC, *Draft Report, Updating the regulatory frameworks for embedded networks*, 31 January 2019, page xii (Next steps)

If you wish to discuss the submission, please contact Ana Dijanosic on (02) 9867 7103 or at [ana.dijanosic@jemena.com.au](mailto:ana.dijanosic@jemena.com.au).

Yours sincerely

A handwritten signature in black ink, appearing to read 'Usa', with a horizontal line extending to the right.

**Usman Saadat**  
General Manager Regulation  
Jemena Limited