

**AUSTRALIAN ENERGY MARKET COMMISSION: CONSULTATION PAPER: NATIONAL GAS AMENDMENT (RECOGNITION OF EXEMPT SELLERS IN RETAIL MARKET) RULE 2019 – GRC0053****INTRODUCTION**

The Shopping Centre Council of Australia (SCCA) thanks the Australian Energy Market Commission (AEMC) for the opportunity to provide a submission on the above *Consultation Paper* on a rule change request (GRC0053) from the Australian Energy Market Operator (AEMO) to enable the recognition of exempt sellers in the retail gas market under the National Retail Energy Law (NERL).

We thank the AEMC for their engagement with us on this issue, and also acknowledge and thanks AEMO for discussing this issue with us.

**COMMENT**

This submission is deliberately brief and its purpose is to outline our interpretation and understanding of the proposed rule change.

Based on our interpretation of AEMO's proposal, and based on clarification from AEMC and AEMO officials, we understand that the proposal seeks to *recognise* the NERL's exempt seller regime, to *enable* exempt sellers to register as a gas market participant if they need to and so choose, such as for the purpose of accessing the FRC hub.

We note that the term '*enable*' is referenced in the Consultation Paper.

Further, we understand that, should the proposed rule change be approved, it will not give rise to any formal requirement or obligation for any exempt seller to have to become authorised or registered and/or comply with any authorisation or registration requirements and/or other issues such as any amended Retail Market Procedures.

On this basis, exempt gas sellers will be able to continue to operate under current arrangements (e.g. deemed/registrable/individual exemption conditions).

Noting the above, we have no specific comments to make on the proposed rule change.

For the above reasons, we hence did not provide any earlier comment so as to seek to prevent the proposal from being expedited under section 304 of the National Gas Law.

If our interpretation and understanding noted above is incorrect, or deemed incorrect, we would welcome the opportunity to discuss further with the AEMC and AEMO.

**AEMC CONSIDERATION OF GAS EMBEDDED NETWORKS**

We also note that under the AEMC's current review of the regulatory framework for embedded networks (which we have been engaged in) it is noted at page xii of the AEMC's Draft Report (31 January 2019), under 'Next Steps', that the Commission will:

*'consider and engage further with stakeholders on legacy embedded networks, together with the following additional issues...the extent to which there may be benefits in developing a national framework for gas embedded networks, and what such a framework should cover'.*

The issue of gas embedded networks is also covered in section 8.3 of the Draft Report.

It has been our expectation that policy and regulatory issues for gas embedded networks will potentially be considered separately, as noted above, in due course.

We also note section 1.4.2 of the Consultation Paper (GRC0053) states that issues relating to the exempt seller framework '*are part of the Commission's current review into the arrangements regarding embedded networks in the electricity and gas sectors...*'.

We have engaged previously on gas embedded network policy issues, and look forward to engaging on such issues.

**CONCLUSION**

Thank you for the opportunity to provide this submission.

If needed, we would gladly discuss this submission with the AEMC and AEMO.

Angus Nardi

**Executive Director**