



2 December 2021

Australian Energy Market Commission
GPO Box 2603
Sydney NSW 2000

By electronic lodgment

EMO0042: Review into extending the regulatory frameworks to hydrogen and renewable gases – Consultation Paper

Alinta Energy welcomes the opportunity to respond to the Australian Energy Market Commission's consultation paper on extending the regulatory framework for natural gas to hydrogen and renewable gases.

Alinta Energy, as an active investor in energy markets across Australia with an owned and contracted generation portfolio of over 3,300MW and more than 1.07 million electricity and gas customers has a strong interest in the development of the regulatory framework for the emerging hydrogen and renewable gases market.

We understand that proponents of various trials (including hydrogen blending trials within the distribution network) seek to eliminate any regulatory uncertainty associated with their trials and how the application and compliance with the National Gas Rules and National Energy Retail Rules may impact planned and future trial projects.

In the short to medium term, the impact of hydrogen and other renewable gases on the gas market and its pipeline infrastructure is likely to be small. Given the nascent level of development of hydrogen and renewable gases, experience gained from trials will inform any changes to the regulatory framework and supporting processes and systems in facilitated gas markets. Questions around rules for scheme and non-scheme pipelines, ring-fencing, settlement and trade of gas in facilitated markets, gas quality and measurement, blending limits and thresholds, registration and consumer protections can be addressed over an extended period of time and coordinated with jurisdictional policies on the incorporation of renewable gases and related policy changes like electrification.

In its consultation paper, the Commission has comprehensively examined the NGR and NERR for gaps and issues that may impact the incorporation of renewable gases into the existing framework. Alinta Energy believes that there is no immediate case for wholesale changes to the NGR and NERR to support trials or accommodate the blending of hydrogen with natural gas for injection into distribution networks (for example). We note however there is a clear need to assess the effectiveness of the existing regulatory framework for gas and appreciate the Commission's detailed analysis undertaken in the consultation paper. We believe the Commission has the opportunity to identify and prioritise genuine areas of gas market reform over an extended period as the commercialisation of hydrogen and renewable gases within the gas market will take a number of years to realise.

Our responses to questions in the consultation paper are set out in the Commission's template. We welcome further discussion with the Commission as it continues its review.

In the interim, if you have any questions on our response, please contact David Calder at David.Calder@alintaenergy.com.au in the first instance.

Yours sincerely

A handwritten signature in blue ink, appearing to read 'Jacinda Papps', written in a cursive style.

Jacinda Papps

Manager, National Wholesale Regulation