



19 May 2022

Ms Anna Collyer
Chair
AEMC
GPO Box 2603
Sydney NSW 2001

Via online submission lodging process

Dear Ms Collyer

Project EMO0042 Review into extending the regulatory frameworks to hydrogen and renewable gases

Thank you for the opportunity to make a submission in response to the Commission's draft report for the review into extending the regulatory frameworks to hydrogen and renewable gases published on 31 March 2022 (the Draft Report).

As you are aware, EDL is a Brisbane headquartered company that owns and operates over one GigaWatt of power stations globally. In Australia, we operate 31 landfill gas (LFG), coal mine waste gas and wind-fueled National Electricity Market (NEM) connected sites totalling over 400 MegaWatts (MW) capacity.

EDL has extensive experience with LFG to zero emissions biomethane (Renewable Natural Gas) production and injection into gas transmission and distribution networks in North America. We own and operate three such plants with another two expected to be operational in the first half of 2023 for a combined capacity of around 7.5 PetaJoules (PJ) a year. EDL has invested more than \$500M in these facilities and wish to replicate this kind of investment in producing biomethane at scale here in Australia.

A carefully considered policy framework has been critical to the rapid investment in biomethane production in the United States with some 250 plants currently online and around that number again either under construction or planned¹. EDL encourages the Commission to look to at that and other successful regulatory models when considering how best to enable the development of a viable local industry.

As submitted our response to the Commission's October 2021 Consultation Paper, EDL strongly supports extending the coverage of the National Gas Rules and National Energy Retail Rules to biomethane and other renewable gases. The Australian Renewable Energy Agency's (ARENA's) November 2021 Bioenergy Roadmap stated that Australia has the

¹ See for example, [Renewable Natural Gas Coalition](#) accessed 19 May 2022.

potential to generate up to 105 PJ of biomethane a year². It can also be used to make transport biofuels, green hydrogen, commercial CO₂ and digestate for improving soil quality. The Roadmap stated that a biomethane industry would help reduce Australia's carbon emissions, make beneficial use of waste, assist the utilisation of the existing gas networks and generate regional investment and jobs³. It is also a ready to go product while hydrogen begins the multiyear journey towards commercialisation.

EDL has four brief comments to make in response to the Draft Report.

The refined approach

EDL supports the "refined approach" proposed in the Draft Report whereby primary gases such as hydrogen, biomethane, synthetic methane and their blends are included from the outset in gases covered by the National Gas Law and National Energy Retail Law with additional renewable gases able to be added later via National or State regulations⁴. This approach should help to provide greater confidence to invest in early renewable gas projects.

Transparency mechanisms

EDL recognises the value to market stakeholders from including information on covered gases in the transparency mechanisms as the penetration of renewable gases increases over time. We welcome the recommendation that pipeline service providers, rather than producers, should bear the primary responsibility for providing this information for the Gas Statement of Opportunities and Victorian Gas Planning Report⁵. We also agree that the Bulletin Board information requirements should only apply to production facilities with nameplate ratings exceeding ten TeraJoules (TJ) per day⁶. This represents a sensible balance between producers incurring the costs of providing that information and the value it is likely to have to those market participants.

Facilitated markets

EDL welcomes the Commission's recognition that small renewable gas producers face both measurement uncertainty and a cost burden in being required to report expected production capacity to the Australian Energy Market Operator (AEMO) as part of the Rules for operating the Short Term Trading Market (STTM). EDL supports the Draft Report recommendation to only require reporting when there is a material difference to the standing data held by AEMO⁷.

² ARENA, [Australia's Bioenergy Roadmap](#), November 2021, p 10.

³ Id, p 16.

⁴ Draft Report, p 3.

⁵ Id, p 53.

⁶ Ibid.

⁷ Id, p 89.

Consumer notification

EDL agrees in principle that it is important that smaller consumers are made aware in advance of changes to the composition of pipeline gas that affect the price, quality or quantity of the product they receive, including the need to switch any end user equipment⁸. However, EDL notes that there should be no need for notification for a switch to biomethane as it is fully substitutable for natural gas.

Please feel free to contact me on 0412 039 860 or anthony.englund@edlenergy.com should you wish to discuss any of the above.

Yours sincerely

A handwritten signature in black ink, consisting of several overlapping loops and a vertical stroke, representing the name Anthony Englund.

Anthony Englund
Head of Regulatory Affairs

⁸ Id, p 125.