



AHC Submission in response to the recommended draft Rules for extending the regulatory frameworks to hydrogen and renewable gases

Australian Hydrogen Council

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Submission to the Australian Energy Market Commission

Joe Kremzer

General Manager Policy

Australian Hydrogen Council

m: +61 413 266 081

e: jkremzer@H2council.com.au

w: [H2council.com.au](https://www.H2council.com.au)

About the Australian Hydrogen Council

The Australian Hydrogen Council (AHC) is the peak body for the hydrogen industry, with 103 members from across the hydrogen value chain.

Our members are at the forefront of Australia's hydrogen industry, developing the technology, skills and partnerships necessary to build Australia's hydrogen economy.



Developing a transparent, safe and efficient market for hydrogen and other renewable gases

While clean hydrogen will undoubtedly play a role in helping Australia to decarbonise, we are still in the relatively early stages of the development of this industry. We are pleased that the AEMC, is using the industry's pre-commercial phase to address regulatory barriers to facilitate the use of hydrogen in the natural gas system.

The proposed Rules as drafted present an opportunity for natural gas equivalents to play a role in reducing the emissions from Australia's gas use. Under the draft Rules, hydrogen and other renewable gases are subject to similar safety, transparency and consumer protections to natural gas and by and large, the draft Rules will provide the clarity and certainty required by all parties choosing to participate in the market.

We note that the Rules do not actively promote the use of hydrogen and other renewable gases over natural gas. We consider that this approach is appropriate and that the Rules should focus on the operation of the market while allowing space for other policy mechanisms to drive the decarbonisation of the natural gas system. A relatively agnostic regulatory framework will allow for the development of policy to incentivise emission reductions through the use of alternatives to natural gas, including hydrogen.

Consumer engagement

AHC has been extremely active in ensuring that the hydrogen industry gains social licence and acceptance in communities. We consider that customers are unlikely to experience any material impact as a result of a change to the composition of their gas supply however, we do not disagree with the transparency that the proposed changes to the National Energy Retail Rules (NERR) will provide.

Hydrogen is still a relatively unfamiliar commodity to most Australians and consumer attitudes toward its use are still being shaped. In light of this, we consider that the current gas blending projects in NSW and South Australia will provide further learnings with regard to the information requirements of customers using hydrogen blends. AHC has also drafted extensive communications on behalf of the Australian Government and we suggest that the AEMC direct the AER to engage with AHC, and take note of current blending projects, as they develop any guideline under 147G of the NERR.

Summary

AHC welcomes the development of the draft rules to ensure that the natural gas system is ready to facilitate the carriage and sale of hydrogen and other renewable gases.

We look forward to continuing to engage on this matter.

If you wish to discuss any element of this submission in further detail, please contact Joe Kremzer, General Manager, Policy on 0413 266 081 or email jkremzer@h2council.com.au