

7 January 2026

Ms Anna Collyer
Chair
Australian Energy Market Commission
GPO Box 2603
SYDNEY NSW 2001

Via email: submissions@aemc.gov.au

Dear Ms Collyer

RE: Retail customer-initiated gas abolishment

The Green Building Council of Australia (GBCA) welcomes the opportunity to provide feedback on the draft determination to create a new regulatory framework for retail customer-initiated gas abolishment.

GBCA recognises the Australian Energy Market Commission (AEMC) has completed an important reform requiring retail customers to pay a cost reflective charge for installing a gas connection to their home instead of this fee being spread across existing customers.

We support the AEMC's draft determination proposals that strengthen customer protections. The proposal would be further improved by adding national guidance to help networks develop clearly scoped fit for purpose offerings, as well as providing supports that enable vulnerable consumers to transition away from gas.

In the draft rule determination AEMC notes that there are gaps in the national regulatory framework and GBCA recommends that AEMC continues to consider this space. For example, GBCA urges the AEMC to outline options to update its mandate and implement market settings that facilitate the managed decline and eventual redundancy of the residential gas network over the medium term, consistent with national emissions reduction commitments.

About the GBCA

GBCA's purpose is to lead the sustainable transformation of the built environment. We do this primarily through our core functions:

- We advocate policies and programs that support our vision and purpose.
- We rate the sustainability of buildings, fitouts and communities through Australia's largest national, voluntary, holistic rating system - Green Star.
- We educate industry, government practitioners and decision-makers, and promote green building programs, technologies, design practices and operations.
- We collaborate with our members and other stakeholders to achieve our mission and strategic objectives.

Green Star is Australia's most widely used sustainability rating system for the design, construction and performance of buildings – including social infrastructure – fitouts and communities. Transitioning to all-electric buildings and precincts, especially those powered by renewable energy, is the most viable strategy for reducing carbon emissions within the built environment.

Green Star rating tools require new projects and projects undertaking major refurbishment to be all-electric. In the case of existing buildings Green Star Performance supports building owners to work towards electrification over time. In addition to guidance within the Green Star rating tools, GBCA has produced several resources including:

- [A practical guide to electrification: For new buildings](#)
- [A practical guide to electrification: For existing buildings](#)
- [A practical guide for grid-optimised precincts](#)
- [From net zero to zero: Grid-interactive buildings.](#)

AEMC Strategic Environment

The Australian Energy Market Operator, Electricity Statement of Opportunities projects that residential gas demand will fall by 70% over the next 20 years. As the consultation document notes, customers are choosing to go all-electric, whether driven by government policies, economics or environmental concerns.

This context is important for the question of customer-initiated abolishment because the question becomes wider than individuals leaving the network, it is about managing a decline to eventual closure. Closing a network through abolishment one building at a time is unlikely to be the most efficient pathway, and the underlying economics of running a network will not be viable past a user count threshold.

Draft determination on customer-initiated gas abolishment

The National Gas Rules are currently silent on the issue of disconnection and abolishment. In the absence of rules there is no regulatory guidance on what different disconnection and abolishment services should entail, who can provide these services, and how associated costs should be charged. GBCA supports the AEMC's position that this approach is not fit for purpose going forward due to a lack of customer protections for non-basic abolishment services.

Charging a cost reflective fee for individual disconnections, combined with better information and improved transparency for customers and allowing some contestability to support cost reduction is a pragmatic approach. As such, GBCA supports the proposals to:

- Require distributors to develop a model standing offer for a basic abolishment service
- Require gas distribution networks to charge retail customers an upfront, cost-reflective charge
- Accommodate contestability of abolishment service.

The standing offer will be important for consumers to understand their options. To promote consistency and reduce complexity, these should be harmonised across Australia to the extent possible and be supported by national guidance to minimise variability across jurisdictions.

Consideration should also be given to how vulnerable households can be supported to disconnect and abolish connections, particularly in circumstances where gas use is exacerbating health issues. This support could take the form of discounts or the ability to spread costs over time.

GBCA view on settings going forward

In the draft rule determination AEMC notes that there are gaps in the national regulatory framework relating to gas abolishment and acknowledges some uncertainty surrounding the future path for some gas distribution networks in a net zero energy system. The AEMC also states that the regulatory framework needs to be able to adapt, should customer demand for disconnection and abolishment

services increase. To address this, GBCA recommends AEMC develop a policy paper outlining options on adapting to and supporting a managed decline and redundancy of the residential gas network. This paper should cover the proposals outlined below.

GBCA recommends that the AEMC outlines options to refresh its mandate and implement market settings to support the managed decline and redundancy of the residential gas network over the medium term.

To manage this decline while promoting consumer welfare (avoiding exit fees or high prices for remaining users), models for retiring assets will need to be in place that:

1. Prevent new residential and commercial building gas connections where this is regulated at a state or local government level, and in other areas require disclosure at time of meter installation that projections indicate gas demand will fall by 70% over the next 20 years and disclose the costs for abolishment at the time of connection (noting that they may escalate over time).
2. Facilitate sections of the gas network to turn off, rather than decline through individual households opting for disconnection and eventually abolishment
3. Allow top-down mandated closure where this is required to meet climate policies, avoid high maintenance costs or safety concerns
4. Allow bottom-up closure by empowering consumers to trigger local network retirement, such as a mechanism where a majority of connected properties signal a desire for a section of the network to close.
5. Create models for bottom-up abolishment for apartment buildings with multiple owners, that triggers abolishment of a shared building connection when a set proportion of owners agree.
6. Provide a notice period and supports for vulnerable households to transition where a network will close.

To do this the regulator (whether the AEMC or another entity) will need to be empowered and incentivised. We suggest this will require:

1. A mandate to design and lead a systemwide transition involving safety, consumer protection, economic efficiency, and long-term energy planning.
2. Policy and law changes to the purpose of the AEMC, including to alter the national energy objectives so that the National Electricity Objective and the National Gas Objective refer to the long-term interests of consumers of energy rather than electricity and covered gas respectively.

GBCA welcomes the opportunity for further discussion. To arrange a meeting, a briefing on our work to date regarding all-electric, grid-optimised precincts and communities, or for additional clarification of the points made above, please do not hesitate to contact Corwin Wallens, Policy Manager, via email at corwin.wallens@gbca.gov.au

Yours sincerely

A handwritten signature in dark ink, appearing to read "D. Rooney". The signature is fluid and cursive, with a large initial "D" and a trailing flourish.

Davina Rooney
Chief Executive
Green Building Council of Australia