

Mr John Pierce
Chair
Australian Energy Market Commission
PO Box A2449
Sydney South NSW 1235

Dear Mr Pierce

I write in relation to the AEMC's report published on 26 September 2019 recommending the introduction of a regulatory sandbox toolkit in the national energy market to make it easier for businesses to develop and trial innovative energy technologies and business models.

The report followed a request from the COAG Energy Council Senior Committee of Officials (SCO) in October 2018 for advice on how to best facilitate coordination of proof-of-concept trials and regulatory sandbox arrangements as part of the 2019 Electricity network economic regulatory framework review. I note the AEMC's collaboration with Australian Energy Regulator (AER), the Australian Energy Market Operator (AEMO), the Australian Renewable Energy Agency and Energy Consumers Australia in developing the final report and recommendations, as well as consultation with other stakeholders through the draft report published in July 2019.

At its 22 November 2019 meeting, the COAG Energy Council agreed to the AEMC's recommendations to introduce a regulatory sandbox toolkit. The Council will progress changes to the National Electricity Law (NEL), National Energy Retail Law (NERL) and National Gas Law (NGL) to introduce regulatory sandbox arrangements.

The Council also agreed to make changes to the National Electricity Rules (NER), National Energy Retail Rules (NERR) and the National Gas Rules (NGR) for regulatory sandbox arrangements through the South Australian Minister following the passage of law changes.

The Council tasked the AEMC with providing further advice on rule changes, including stakeholder feedback on the proposed rule drafting provided in the AEMC's final report and a final recommended package of rule changes. SCO requests that the AEMC report back to the Council by March 2020.

Yours sincerely



Mr Sean Sullivan
Chair
COAG Energy Council Senior Committee of Officials

28. January 2020