



19 February 2020

Alex Oeser
Australian Energy Market Commission

Lodged online: www.aemc.gov.au

Dear Alex,

Regulatory sandbox arrangements to support proof-of-concept trials

Origin Energy Limited (Origin) welcomes the opportunity to provide comments on the possible use of regulatory sandbox arrangements to support proof-of-concept trials.

Origin is a large Australian integrated energy company with activities in energy retailing, power generation and natural gas production. Origin also has recent experience in exploring new product offerings and has focused on areas such as solar & storage and connected homes.

We believe there is some merit in implementing a regulatory sandbox, in tightly prescribed circumstances. From our experience, we have not seen much evidence that the NEM regulatory arrangements are preventing trials from happening. Rather, the NEM rules tend to impact the economics of a technology or a business model, more than constrain the ability to deploy it at all.

One comment that we would like to highlight is the interaction with state level regulations and how they could be integrated into a potential sandbox arrangement. A bias does exist in the NEM arrangements around who can pursue what activities i.e. does it fall into the generator, network or retailer function. The rules generally assume that networks have responsibility for hardware and infrastructure (such as load control) whilst retailers are responsible for customers. Many new technologies involve customer level hardware so they straddle this divide. For example, various state regulations around batteries and other forms of distributed energy resources.

We note that the consultation paper acknowledges that some regulatory barriers may be at the state level. However, we do not support the suggestion that states also look at similar regulatory sandbox arrangements. We would recommend that a better approach would be to integrate this within the one regulatory sandbox approach, as having two processes would seem to defeat the purpose of having the sandbox trial.

If you wish to discuss any aspect of this submission further, please contact Matthew Kaspura at matthew.kaspura@originenergy.com.au or on 02 9503 5178.

Yours sincerely,

A handwritten signature in blue ink, appearing to read "K. Robertson".

Keith Robertson
General Manager Regulatory Policy
Origin Energy Limited
+61 2 9503 5674—Keith.Robertson@originenergy.com.au