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Dear Andrew

Re: Consultation RIS – Gas Pipeline Regulation Reform

We welcome the opportunity to comment on COAG's *Options to improve gas pipeline regulation* Consultation Regulation Impact Statement (RIS).

The RIS sets out its broad reform objectives as being to "implement a more efficient, effective and integrated regulatory framework that … is fit for purpose, targeted and proportionate to the issues it is intended to address".[1] We are supportive of these objectives informing the development of any new regulatory system for gas pipelines. A new framework should seek to ensure the best outcome for operators, shippers and consumers, while providing the regulator with the required toolkit to operate in the long term interests of consumers.

However, we acknowledge that it can be difficult to meet all the objectives for all involved parties, and that trade-offs may be required to achieve the best holistic framework. For example, an integrated framework with consistent principles and approaches may, in some cases, be either inefficient if it places unwarranted costs on regulated entities (overregulation) or ineffective if it fails to address the underlying harms (under-regulation).

Our submission therefore is designed to articulate our views on whether – and to what extent – some of the approaches identified in the RIS would meet one or more of these reform objectives.

We note that, alongside the analysis of potential approaches to address the identified challenges set out in the RIS, the document sets out a series of options that represent packages of the approaches identified across different sets of issues. We have not identified a preferred option from this set as we consider that further work is required to develop the options. This reflects our view that the breadth of the issues raised in the RIS and the

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1 RIS, p.49.

interlinkages between them should be analysed in more detail before a preferred framework is identified.

Future regulatory framework for gas pipelines

Key points

The AER considers the following to be key components of a future regulatory framework for gas pipelines:

- A hybrid market power-NGO test to determine whether a pipeline should be regulated and the form of regulation
- Two tiers of regulation (full regulation and lighter-handed regulation)
- Information disclosure requirements that align with the objectives of the form of regulation
- A mechanism to allow for movement between forms of regulation
- Two forms of arbitration – regulatory-based for fully regulated pipelines, and commercially-based for lighter-handed regulated pipelines

In responding to the questions posed through the RIS, the AER has sought to identify what it considers to be key components to be included in the design of a new regulatory framework for gas pipelines. This submission provides the AER's view on:

- The threshold for regulation
- Movement of pipelines between different forms of regulation over time
- Governance arrangements for the gas pipeline regulatory regime
- The role of Part 23 and lighter handed regulation and information disclosure
- The design of the lighted handed form of regulation, and the number of pipelines that are impacted by the new design
- Standardisation of terms and conditions of access
- The arbitration and dispute resolution frameworks

In developing a final decision RIS, we are of the view that further consideration of the issues is required to ensure the final regulatory system design meets the objectives of the RIS process. We support the processes proposed by SCO (including undertaking a cost benefit analysis) to determine the option that yields the greatest net benefit for the community. We also note that, to date, industry participants have not had the opportunity to provide input into the development of the options presented in the RIS. We would encourage greater engagement with industry to ensure that any proposed reforms meet the identified objectives.

The AER welcomes the opportunity to continue to be involved in the RIS working group, and provide guidance on the implementation of any changes proposed in the final design of a new regulatory framework for gas pipelines.

Threshold for regulation

Key points

The AER's position is that we:

- Agree with the objective of the RIS to simplify the gas pipeline regulatory environment
- Support the introduction of a hybrid market power-NGO test to determine whether a pipeline should be regulated and the form of regulation
- Consider it is difficult to fully assess the impact of the proposed regulatory changes at this stage, without further analysis into how many pipelines would be covered under

the different forms of regulation and what are the features of the change

In reviewing the Australian gas regulatory environment, both the ACCC and Dr Vertigan identified issues with the exertion of market power in gas pipeline networks. The reviews pointed to the ability of gas pipeline owners to earn excessive returns, which, when combined with a lack of transparency on contract terms and conditions, could result in negative impacts on the market, including an inability to negotiate lower prices.

We agree with the analysis presented that the existing coverage test:

- does not adequately address market power and so may result in pipelines being subject to a lighter-handed form of regulation than would be warranted; and
- may present too high a bar for determining whether pipelines not providing third-party access should be required to do so.

We also agree there is a risk that the current blanket application of regulation to all third-party access pipelines may not be proportionate, while acknowledging that some of the inefficiencies arising from this may be minimised in practice by the exemptions available from the related information disclosure requirements. We suggest that further consideration should be given to ensuring that the hybrid test will be fit for purpose to address market failures arising from both market power and denial of access.

Accordingly, we are supportive of the proposed hybrid market power-NGO test as a threshold test for whether a pipeline should be subject to regulation. As set out in the RIS, this hybrid test would require consideration of:

- the degree of market power;
- the extent to which it is likely to be constrained (in the absence of regulation); and
- whether constraining market power through regulation will or is likely to promote the NGO.

In our view this test would address a key finding of recent reviews by the ACCC and AEMC – that the existing coverage test is not designed to address a key source of market failure (market power). Market power should only be considered a failure where it creates an imbalance of power between parties, and this power is exercised. We support the introduction of the new test as it seeks to address this power imbalance, and to provide for regulation that is proportionate, implemented only when the benefits as viewed from the standpoint of the NGO outweigh the costs of imposing regulation on a given pipeline.

At this stage, the cost impacts of the proposed options for regulatory change are uncertain. It is unclear how many pipelines would be regulated under each of the proposed options, and what impact the changes would have in terms of regulatory costs for moving pipelines from the current environment into any future arrangements. We acknowledge that PwC has been engaged to undertake analysis of the options, including a cost benefit analysis, a regulatory burden analysis and a competition effective analysis, and we will await the circulation of this work before commenting further.

Movement over time

The AER's view is:

- In principle supportive of movement between forms of regulation over time
- Any future framework should seek to balance flexibility with the need to provide regulatory certainty and be informed by approaches applied in other regulated

industries

We support pipelines being able to move between forms of regulation or between regulation and no regulation as circumstances change, such as when there are changes in the degree of market power and the countervailing power of shippers.

The RIS presents options ranging from all pipelines being subject to some form of regulation, to only those with sufficient market power being regulated. The importance of providing for movement between different forms of regulation over time will depend on whether all pipelines will be subject to regulation, or whether only those pipelines that meet the hybrid market power/NGO test are subject to regulation. Where the possibility for not being regulated exists, there may be the requirement to have different criteria to assess movement between the forms of regulation, and moving from being regulated to no regulation.

The current regulatory framework for gas pipelines allows for movement between the forms of regulation. However, under the current regulatory framework movement has all been in one direction (towards less regulation). This is due to the interpretation of the current coverage test, the foundation of which is denial of access. As outlined in the RIS, denial of access is not the market failure identified by recent reviews of the regulatory framework, but rather the exercise of market power.[2]

Any future framework will need to ensure that an appropriate form of regulation (which may include the option of no regulation) is applied to pipelines whose circumstances have changed. We agree that this would involve enabling the relevant regulator to revisit the market power test and reconsider the appropriate form of regulation.

Such a mechanism is provided for in options 3 and 4, which propose that the relevant regulator monitor the behaviour of service providers and refer pipelines for a form of regulation assessment if it is concerned that market power is being exercised.

While we support revisiting the form of regulation applied to pipelines where their market power has changed, we are concerned about the need to provide pipelines certainty about their regulatory arrangements and the regulatory risk that continually revisiting the form of regulation could create. In particular, we are concerned about the impacts on commercial arbitration and/or processes that are underway that may result from the relevant regulator revisiting the market power test.

As currently described in the RIS, price monitoring, service quality, financial information, negotiation outcomes and ring fencing requirements are amongst the information that the regulator could have regard to when making such decisions. We consider that there could be further clarity on how these elements should be used to trigger a form of regulation assessment. In particular, there should be a clear link between monitoring activities and the

[2] The issues raised with the current coverage test identified in recent reviews is set out in Chapter 4 of the RIS. The relevant inquiries are:

- ACCC, Inquiry into the east coast gas market, April 2016.
- AEMC 2015-16 East Coast Wholesale Gas Market and Pipeline Frameworks Review (2015-16 East Coast Review) and 2017-18 Review into the scope of economic regulation applied to gas pipelines (2017-18 Review into the scope of economic regulation); and
- Dr Michael Vertigan AC through the Examination of the current test for the regulation of gas pipelines (Examination) and the Gas Market Reform Group (GMRG) through the subsequent development of Part 23 and preparation of a joint report with the ACCC on measures to improve the transparency of the gas market.

criteria that is used to inform form of regulation decisions. Any amendments to the monitoring and compliance functions of the regulators should also be supported by strengthening information gathering powers to ensure sufficient information can be collected to make decisions.

Noting that under the current framework movement has been in one direction, we also consider that any new framework should allow pipeline owners to seek an assessment of which form of regulation (including not being regulated) is appropriate. An initial submission from the business will provide the decision making body with better information upfront, addressing an important information asymmetry that currently exists.

We suggest consideration be given to mechanisms from other industries in seeking to identify when market power has changed, and a pipeline's form of regulation decision should be reviewed. One approach may be to model the ACCC's regulation of the telecommunications industry, under the *Competition and Consumer Act 2010*. The provisions of the *Competition and Consumer Act 2010* allow for a trigger event, which initiates a review where competition in the market has changed[3]. Another approach may be to have reviews scheduled into form of regulation decisions, for example after 5 or 10 year periods, so that a regular program of review is established.

Notwithstanding these views, we believe that further consideration needs to be given to what the regulatory cost of implementing this function would be, and whether it meets the policy objectives of the RIS, in particular to 'minimise administrative burdens and compliance costs'[4]. This examination should consider the regulatory cost of moving between forms of regulation for all affected parties, including businesses, the regulator and the decision maker (if separate to the regulator), which will include looking at the cost of undertaking ongoing monitoring of the market power of pipelines. It may also be relevant to consider whether the form of regulation decision should be locked in for a period of time before additional movement can occur.

Governance

Key points

The AER's view is that:

- Further consideration should be given to the design of governance arrangements for the new regulatory framework
- A single organisation accountable for administering all elements of the regulatory framework may contribute to meeting the RIS objectives

The AER already plays a significant role in the regulation of gas markets in Australia, with responsibility for regulating energy networks, retail and wholesale markets, working to make all Australian energy consumers better off, now and in the future. Our key roles in the regulation of gas markets include:

- Determining how much revenue businesses can earn distributing energy, via gas pipelines, to customers through access arrangements;

[3] S46 of the Competition and Consumer Act 2010 incorporates a misuse of market power test which prohibits a corporation with a substantial degree of market power from engaging in conduct with the 'purpose, effect or likely effect' of substantially lessening competition. Such a test could be reworked to examine where share of market power has changed (either increased or decreased) and result in a re-examination of the form of regulation assessment.

[4] RIS, p49.

- Monitoring wholesale gas market in southern and eastern Australia to detect market irregularities and manipulation, as well as instances of participant non-compliance with the market rules; and
- Ensuring energy businesses comply with the National Gas Law and Rules, and take enforcement action where necessary.

As required, the AER also acts as an arbitrator for contract disputes between pipelines and shippers on full and light regulation pipelines.

In considering governance of the gas pipeline regulatory framework, we think the opportunity should be taken to remove unnecessary costs and time delays. There would be merit in simplifying the environment through the consolidation of functions, including deciding whether a pipeline should be regulated, the form of regulation, and exemptions for greenfield pipelines. Having a single organisation accountable for administering all elements of the regulatory framework may contribute to meeting the RIS objectives, which include an efficient and effective integrated regulatory framework.

Where a framework provides for movement between different forms of regulation, there would be benefit in consolidating functions into one regulatory body. Giving one regulatory body the responsibility for monitoring whether pipelines are exercising market power, and for making decisions about the form of regulation where it has identified the exercise of market power, would provide for efficiencies (such as timing and consistency of decision making) in performing the functions. A single regulatory body would also provide for industry certainty in providing a single point of contact for all matters covered by the framework.

We agree with the view that there is not conflict in an economic regulator performing these functions, noting that these decisions would be subject to legal review. We note that economic regulators in Australia, as well as internationally, make decisions on both whether pipelines should be regulated as well as making regulatory determinations.

The RIS points to examples of single regulatory bodies involved in both form of regulation decisions and ongoing regulatory functions. Table 3.3 in the RIS identified that the regulators in other jurisdictions, including New Zealand and the United States, undertake both functions.

As an example within Australia, the ACCC currently has responsibility for declaring telecommunications services at the same time as undertaking economic regulatory functions such as assessing access undertakings (under Part XIC of the *Competition and Consumer Act 2010*). The provision allows the ACCC to declare a service, including setting default prices and other terms and conditions of access which then provides for access seekers to obtain access to that service. The inquiry into the domestic transmission capacity service declaration 2018-19 is an example of the use of the ACCC's powers[5]. The AER considers that a similar approach could be implemented for a new framework for gas pipelines.

Part 23, the lighter-handed form of regulation and information disclosure requirements

Key Points

The AER's view is that we:

- Agree with the assessment that Part 23 has been an effective form of regulation

[5] https://www.accc.gov.au/regulated-infrastructure/communications/transmission-services-facilities-access/domestic-transmission-capacity-service-declaration-inquiry-2018-2019

- Intend to issue RINs that will collect yearly information for full regulation pipelines, with the information to be available on the AER's website
- Propose to not revise our Part 23 guideline or create new guidelines until the RIS is further progressed. This is because one of the objectives of the post implementation review is to examine whether the information disclosed under Part 23 is adequate and meeting the needs of shippers. The AER guideline will be revised once it is clearer what the lighter handed form of regulation looks like

Part 23 was introduced and implemented in 2017, in the absence of a regulatory impact statement. The purpose of the consultation RIS is to also assess how effective Part 23 has been in meeting its objectives two years after commencement.

We agree with the overall assessment made in the RIS that Part 23 has proved to be an effective form of regulation, especially in regards to the addition of commercial arbitration[6], and the information disclosure measures giving shippers access to information to inform their contract negotiations on pipelines. This assessment has been informed by separate reviews conducted by the ACCC, OGW[7] and Brattle Group.[8]

A number of measures have been identified in each of the reviews that aim to strengthen the effectiveness of Part 23 information disclosure, including revisions to the AER Part 23 Guideline for non-scheme pipelines, and the creation of additional guidelines.[9]

The RIS highlights that information gaps and asymmetries in information could:

(a) impose unnecessary search and transaction costs on shippers and/or compliance costs on service providers;

(b) hinder the ability of shippers to negotiate effectively with service providers; and/or

(c) make shippers more susceptible to exercises of market power.

The RIS identifies a number of potential solutions that could be implemented to address these issues based on the recommendations made by the ACCC, Brattle Group and respondents to the OGW shipper survey. Of significant interest to the AER is the information available to pipelines subject to full regulation, Part 23 information disclosure and the review of Part 23 financial information disclosure.

Information available on full regulation pipelines

The AER has previously collected information from fully regulated pipelines, both as part of access arrangement determinations and within access arrangement periods. We are developing annual reporting RINs for all gas transmission and distribution pipelines. We are on track to issue these RINs in early 2020. The information sought in these RINs will be made available to all stakeholders via the AER's website. We expect the first data reports in 2020.The information sought includes historical data from 2011, up to the latest available

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6 We note that to date, there has only been one commercial arbitration undertaken, and as such there is not a large body of experience on which to draw when determining its effectiveness.

7 Only a small number of shippers responded to the survey meaning that it is difficult to draw conclusions from it.

8 The key findings are not repeated here but set out in Chapter 5 of the RIS.

9 The ACCC proposes the AER develop two additional guidelines:
a non-binding guide that provides service providers with greater guidance on what, at a minimum, the pricing methodology should include and sets out the reporting requirements if an amendment is made.
a non-binding guide on how the information service providers are required to disclose, should be reported.
ACCC, Gas Inquiry report 2017-20, Interim report, July 2019.

data for 2019-20. Annual reporting thereafter will be required to 2030. The introduction of RINs for all gas transmission and distribution pipelines will provide a standard base of information for all full regulation pipelines.

Part 23 information disclosure requirements

We support thorough consultation on information disclosure and an examination of the costs and benefits of information collection and disclosure. We raise the following non-exhaustive points:

- To date information disclosure has developed incrementally and any reform should take a holistic view and account for existing disclosure obligations to minimise the cost on business. By way of example, the Bulletin Board already collects and reports service information for key gas pipelines.
- Information, like regulation, exists on a spectrum. At one end, data can be consistently collected and is comparable across time because a common understanding of definitions exist – the AER does this through RINs. As the requirement for greater detail, and more rigidly defined information increases so does the cost of compiling and reporting the information. Information requirements should be set to minimise the costs consistent with meeting the objectives of the information disclosure.
- Both the ACCC and Brattle Group[10] make suggestions for greater consistency around how information is presented, and shipper feedback will assist in directing design. By way of example, Brattle Group suggest cost based pricing benchmarks may be useful to shippers. Consultation with shippers would assist in identifying those most useful to shippers, however we caution that a regime designed around disclosure based on ease of use for smaller shippers is going to be at a greater regulatory cost.

AER response to review of Part 23 financial information disclosure

Both the ACCC and Brattle Group have made recommendations to improve the financial information disclosed under the existing Part 23 guideline. The RIS provides stakeholders with the opportunity to comment on the effectiveness of Part 23, and we will use the information provided in submissions to the RIS to help guide the development of guidelines that are consistent with the agreed final form of regulation. Before any changes to the guidelines are introduced, the AER will also seek to run its own consultation process. The combination of information gathered through both processes will enable to AER to introduce changes to the Part 23 guidelines that best address the identified issues[11].

It is important to note that we think it would be challenging for the AER to run a consultation process on any proposed changes to the Part 23 guidelines while the RIS process into future regulatory arrangements is ongoing. We feel that any concurrent review would only add further uncertainty to the gas pipeline regulatory environment. Therefore, our position is that we will await the outcome of the RIS process before revising our Part 23 guideline and our revised guideline should be based on the form of regulation that is the outcome of the current process.

In the meantime we are acting on the compliance issues raised by the ACCC and engaging in discussions with the identified pipelines. Further review of 2019 reporting is proposed in

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10 RIS, Appendix B, p159. Brattle Group recommend a summary tab with key financial statistics.

11 This proposed work is based on the view that a lighter handed form of regulation under a new regulatory framework will be a strengthened version of the current Part 23 framework, and that the current light regulation framework is revoked.

early 2020 to examine what gaps still remain in the information being published by Part 23 pipelines.

What might the lighter form of regulation look like and how many pipelines are impacted?

Key points

The AER's view is that we:

- support a new form of lighter regulation having the following features:
  - Retaining commercial arbitration
  - Retaining the protections in existing light regulation
- do not support creating a new lighter form of regulation just for distribution pipelines

We agree with the analysis in the RIS that Part 23 and light regulation are similar.[12] On efficiency grounds there is an argument for removing one form of regulation, either light regulation or Part 23. We think a comprehensive documentation of the problems arising from having two similar forms of regulation is set out in the consultation RIS.[13] The consultation RIS asks which form of regulation should be removed, noting that there are currently 85 pipelines subject to either Part 23 or light regulation.[14]

The new reporting guidelines published for light regulation in October 2019[15] means that there are only a few key differences between the two forms of regulation. The differences between light and Part 23 are:

- light regulation is a negotiate arbitrate model with information disclosure requirements and entails a regulatory-oriented arbitration mechanism and includes a number of safeguards, such as:
  - the prohibition on service providers bundling services, preventing or hindering access and/or engaging in inefficient price discrimination; and
  - the ring fencing and associate contract provisions, that are designed to ensure the separation of pipeline operations from associated businesses in other markets;
- the Part 23 negotiate-arbitrate model with information disclosure requirements, entails a commercially-oriented arbitration mechanism but does not include any of the safeguards listed above.

We are supportive of the position in the RIS that Part 23 should be the basis for the lighter-handed form of regulation, incorporating some of the safeguards that are currently available under light regulation. Any future model of light regulation should include commercial arbitration as the method for resolving contract disputes, and include protections around ring fencing and associated contract provisions, such as denial of access and discriminatory behaviour.

12 RIS, p70.

13 RIS, Chapter 8.

14 RIS, p 83.

15 https://www.aer.gov.au/networks-pipelines/guidelines-schemes-models-reviews/light-regulation-financial-reporting-guideline

The RIS notes that practically there are a number of forms of light regulation that are currently operational. For example, pricing monitoring is used in the retail fuel sector, while information disclosure and price monitoring is used in airport regulation. We do not support consideration of these other forms of light regulation to replace Part 23 or light regulation.[16] We do not support departing from the fundamentals of information disclosure to facilitate meaningful negotiations with the threat of arbitration.

SCO is also seeking feedback on whether the lighter handed form of regulation applied to distribution pipelines should be based on the negotiate-arbitrate model, or another form of regulation. While the regulatory framework does not currently draw a distinction between the forms of regulation applied to distribution and transmission pipelines, the RIS states questions have been raised in prior reviews about the potential for a different lighter handed form of regulation to be applied to distribution pipelines.[17] It is stated a reason to consider another form of regulation is that retailers have a diminished incentive to negotiate as distribution (and transmission) charges are passed onto consumers.

Our view is that there are risks in creating what would be a new third form of regulation that only applies to certain distribution pipelines. It is unclear to us how a third form of regulation would address the problem of lack of incentives for retailers to engage in access negotiations. We think consideration of standardisation of terms and condition (discussed below) is more likely to facilitate more retail competition.

Standardisation of terms and conditions

Key point

The AER's view is that:

- Under full regulation each pipeline submits Terms and Conditions of access. We recommend that these be standardised to the greatest extent possible with scope for facility specific terms

Terms of conditions are submitted at each access arrangement by fully regulated pipelines, for assessment by the AER. Often issues with terms and conditions are raised by retailers in their submissions to access arrangements.

We believe there are efficiency benefits and competition benefits from standardisation of terms and conditions. Potential benefits of standardisation are:

- It minimises costs for shippers who operate across multiple pipelines who will not need to invest in understanding differences in terms and conditions between pipelines. We think this could be of material benefit to retailers and retail competition as it reduces barriers to entry.
- Limits the ability of pipeline owners to exercise market power through non-price terms and conditions of access.

Standardisation of terms and conditions is not without precedent. In March 2019 new elements were added to the NGR to allow capacity trading and specifically included Operational Transportation Service Agreements (OTSAs). OTSAs are an agreement between a pipeline and a shipper under which the shipper can use capacity bought from another shipper (including through the gas trading exchange) or through an auction. The

[16] RIS, Chapter 8.

[17] RIS, p83.

purpose of the OTSA's was to minimise transactions costs between shippers and pipeline owner when trading capacity.

We believe that the new form of full regulation should consider standardising terms and conditions for transmission and distribution pipelines. We acknowledge that further consultation is required on this proposal and a number of issues need to be considered, such as:

- What, if any, adjustments are needed to be made for transmission versus distribution gas pipelines.
- To what extent the existing OTSA's can be used, along with the existing administrative arrangements created to maintain OTSA's.
- A detailed cost benefit analysis.

Arbitration and dispute resolution frameworks

Key points

The AER's view is that:

- We support keeping two forms of arbitration – regulated and commercial
- Further exploration is required of tools that assist small shippers
- We have concerns with the option of the AER as arbitrator for small shippers under the lighter form of regulation

The RIS proposes to keep the current two levels of arbitration – regulatory-based arbitration for fully regulated pipelines, and commercially-based arbitration for pipelines under the lighter-handed form of regulation. We understand, and are supportive, of the objective to keep the different models for the forms of regulation. As stated previously, we are of the view that commercial arbitration has been a positive addition to the gas regulatory environment, and has had the effect of encouraging competitive negotiations.

The RIS additionally highlights that commercial arbitrations are likely to disadvantage smaller shippers who don't have the resources to enter into a process that can be costly. While we are supportive of looking for solutions to make arbitration a credible option for small shippers, we have concerns regarding the option to provide small shippers with the ability to choose their preferred model of arbitration.

In considering whether regulatory arbitration should be an available option for small shippers, the objective of the arbitration must be considered. If the objective is to provide shippers with certainty in the arbitration process, then the addition of regulatory arbitration as an option is sound.

However there are risks associated with this approach. Where regulatory arbitration is selected, the decision of the regulator becomes the default starting position for any future commercial arbitration. In effect this decision would create a situation where a contract on a lighter-handed regulated pipeline has been determined under the considerations of full regulation.

The flexibility that is available to a commercial arbitrator, such as not being bound to previous decisions and having the ability incorporate bargaining and trade-offs between parties into decisions, is not possible under regulatory arbitration. A regulator is bound to any previous decisions that have been made, with all decisions required to be published. It may be useful to consider whether the regulator, if involved, should have similar discretion and

flexibility in arbitrating decisions for smaller shippers, noting that the process would still be considered as regulatory arbitration.

It will be necessary for a definition of small shipper to be developed that clearly articulates what attributes are used to meet the requirement. Consideration needs to be given to whether the definition should rest on the size of the business, the amount of gas being contracted for, their share of market power, or a combination of these factors. Providing clear guidance on who is captured under the definition is critical to ensuring the success of the provision.

Overall, we are supportive of the overall objectives and direction of the RIS process, and look forward to continuing to be engaged in this process. We would be happy to discuss any of the above points in more detail. If you have any questions about our submission, please contact Kami Kaur, Director Transmission and Gas (02 9230 9163).

Yours sincerely

Clare Savage
Chair
Australian Energy Regulator

Sent by email on: 20.12.2019