

# CLEAN ENERGY COUNCIL SUBMISSION TO THE AUSTRALIAN ENERGY MARKET COMMISSION

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## Review of the rules for the proposed regulatory sandbox arrangement

The Clean Energy Council (CEC) welcomes the opportunity to provide feedback on Australian Energy Market Commission (AEMC) review of the rules for the proposed regulatory sandbox arrangement.

The CEC is the peak body for the clean energy industry in Australia. We represent and work with hundreds of leading businesses operating in solar, wind, hydro, bioenergy, marine and geothermal energy, energy storage and energy efficiency along with more than 6,500 solar installers. We are committed to accelerating the transformation of Australia's energy system to one that is smarter and cleaner.

The AEMC has proposed the following three new tools to facilitate proof-of-concept trials:

- an innovation inquiry service, to provide guidance and feedback and help businesses get trials up and running quickly where they are feasible under current laws and regulation
- a new regulatory waiver power for the Australian Energy Regulator (AER) so they can temporarily exempt trials from existing rules where this is creating a barrier
- a new AEMC trial rule change process that can quickly and temporarily change existing rules or temporarily introduce a new rule of limited application to allow a trial to go ahead

The main rule changes proposed in the final report are for the chapter 8 of the National Electricity Rules (NER), chapter 10 of the NER, part 1 of the National Energy Retail Rules (NERR), part 12 of the NERR and The National Gas Rules. The rule changes support the trial waiver activities, increase consumer protection measures and increase compliance and monitoring.

The CEC strongly supports all three new tools and rule changes addressed by the AEMC on the final report on regulatory sandbox arrangements to support proof-of-concept trials and draft rules consultation paper. We suggest the following improvements to the final report and the drafted rules:

- The trial process is strongly supported, and it is important that successful trials lead to changes in the industry over the long run. Evidence from trials will assist with identifying shortcomings in the regulatory framework or with implementation issues. It is therefore important that the rules should include a draft timeframe for the implementation steps.
- The final report recommends a maximum timeframe for the innovation inquiry service but there is no suggestion on the length of time proposed. The rules must be clear on the timeline for the innovation inquiry service.
- The final report does not indicate the number of trials or other benchmarks needed to support the actual implementation. It is important to provide an indication of the number of successful trials or other benchmarks needed to support ongoing change in the industry.

We would be very happy to discuss these issues in further detail with representatives of the Australian Energy Market Commission. We look forward to contributing further to this important area for policy development.