

Examination of the Coverage Test
COAG Energy Council Secretariat
GPO Box 787
Canberra ACT 2601

Submitted by email to energycouncil@environment.gov.au.

20 October 2016

Examination of the current test for the regulation of gas pipelines: Consultation Paper

The Australian Energy Council (the Energy Council) welcomes the opportunity to make a submission to the COAG Energy Council Secretariat on the Consultation Paper for the Examination of the current test for the regulation of gas pipelines.

The Energy Council is the industry body representing 21 electricity and downstream natural gas businesses operating in the competitive wholesale and retail energy markets. These businesses collectively generate the overwhelming majority of electricity in Australia and sell gas and electricity to over 10 million homes and businesses.

Our member businesses were closely involved in the ACCC East Coast Gas Inquiry, providing extensive information through submissions, at public and private hearings, and complying with data requests. The recommendation to re-examine the gas pipeline coverage test is appropriate given the findings of the inquiry which are largely consistent with the experience of the AEC's members.

Given a more relevant test may find regulatory coverage appropriate for a number of existing but currently uncovered pipelines, we suggest that consideration be given to how assessment will be undertaken following any changes to the criteria.

The investigation should include the existing regulatory arrangements and whether they should be expanded to ensure that prices of all services offered by pipelines with market power (including non-reference services on covered pipelines) are not set at excessive levels. Appropriate coverage for regulation of non-reference services should be examined in the interests of promoting efficient market outcomes.

Any questions about our submission should be addressed to Emma Richardson, Policy Adviser by email to emma.richardson@energycouncil.com.au or by telephone on (03) 9205 3103.

Yours sincerely,



Kieran Donoghue
General Manager, Policy & Research
Australian Energy Council