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Australian Renewable
Energy Agency

ARENA

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ARENA submission on Regulatory Sandboxing Legislative Amendments

The Australian Renewable Energy Agency (ARENA) was established in 2012 by the Australian Government. ARENA's objectives and functions are set out in the *Australian Renewable Energy Agency Act 2011*.

ARENA provides financial assistance to support innovation and the commercialisation of renewable energy and enabling technologies by helping to overcome technical and commercial barriers. A key part of ARENA's role is to collect, store and disseminate knowledge gained from the projects and activities it supports for use by the wider industry and Australia's energy market institutions.

In its post-2025 market design review Consultation Paper¹, the Energy Security Board has highlighted how trials and regulatory sandboxes can support reforms and technology innovation in the electricity sector, especially with regard to novel sources of essential system services, new access arrangements for generators in renewable energy zones and in integrating distributed energy resources. ARENA sees significant value in introducing more flexibility into the energy regulatory framework to support trials and we have been closely involved in the AEMC rule change process to date. Greater flexibility would have allowed, for example, trials of demand response in wholesale electricity markets prior to implementation of the wholesale demand response mechanism.²

The First Low Emissions Technology Statement under Australia's Technology Investment Roadmap notes that ARENA and the CEFC will "*continue their important role in supporting the reliability and security of the current grid through their work on enabling technologies such as distributed energy management and energy efficiency*".³ As such, ARENA funding may work

¹ [http://www.coagenergycouncil.gov.au\[...\]/P2025%20Market%20Design%20Consultation%20paper.Final_.pdf](http://www.coagenergycouncil.gov.au[...]/P2025%20Market%20Design%20Consultation%20paper.Final_.pdf)

² [https://arena.gov.au\[...\]/arena-submission-regulatory-sandbox.pdf](https://arena.gov.au[...]/arena-submission-regulatory-sandbox.pdf)

³ [https://www.industry.gov.au\[...\]/first-low-emissions-technology-statement-2020.pdf](https://www.industry.gov.au[...]/first-low-emissions-technology-statement-2020.pdf)

alongside the new regulatory sandbox mechanism to support trials of high value innovation in the electricity system.

We look forward to working with stakeholders to ensure the success of this important reform.

Please contact Jon Sibley, Principal Policy Advisor (jon.sibley@arena.gov.au) if you would like to discuss any aspect of ARENA's submission.

Yours sincerely

Darren Miller

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