

John Pierce  
Chairman  
Australian Energy Market Commission  
PO Box A2449  
Sydney South NSW 1235

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**REF: ERC0240**

Dear Mr Pierce

### **GLOBAL SETTLEMENT AND MARKET RECONCILIATION – DRAFT DETERMINATION**

Origin Energy (Origin) welcomes the opportunity to provide comments on the Australian Energy Market Commission's (AEMC) draft determination for the introduction of global settlement and market reconciliation into the NEM.

Origin strongly supports the draft report's conclusions to introduce global settlement from 1 July 2021. This change will see a more equitable allocation of unaccounted for energy (UFE) and ensure that disputes over allocations are resolved in a timely manner.

We also support the alignment with the 5-minute settlement work program and the staged implementation leading up to the 1 July 2021 start date. The staged introduction will facilitate a more efficient implementation process.

Origin welcomes the introduction of a requirement for AEMO to determine thresholds for UFE at each transmission connection point. Determining a reasonable threshold at each connection point will allow an acceptable benchmark to measure the expected level of UFE. If UFE exceeds this threshold an investigation can be commenced quickly, and reasons for the increase can be determined. Origin would appreciate AEMO consulting with participants when it is determining the threshold levels.

The draft determination finds that UFE will be calculated at the TNI level and then allocated at the DNSP level. Origin has identified a potential issue where a TNI is associated with two distribution areas. It would be helpful to understand how this issue might be resolved within the proposed framework.

Regarding the changes for non-market generators, Origin is comfortable with these generators accounting for exported energy through MSATS and for new non-market generators to operate through an intermediary who is a registered participant. We would welcome further clarification on the MW threshold levels that apply to new non-market generators. We are concerned that there could be confusion that smaller DER systems could be captured under the non-market generator definition. The Rules should point to the relevant AEMO guideline that specifies a 5MW threshold for non-market generators.

Should you have any questions or wish to discuss this information further, please contact James Googan on [james.googan@originenergy.com.au](mailto:james.googan@originenergy.com.au) or (02) 9503 5061.

Yours sincerely,



Steve Reid  
Group Manager, Regulatory Policy