18 July 2019

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

Submitted online: www.aemc.gov.au

Dear Mr Pierce

Five Minute Settlement and Global Settlement Implementation Amendments – Consultation Paper

Origin Energy Limited (Origin) welcomes the opportunity to provide comments on the Australian Energy Market Commission's (AEMC) Five Minute Settlement and Global Settlement Implementation Amendments Consultation Paper.

Origin broadly supports the proposed rule change, which outlines administrative and technical amendments to the five minute settlement and global settlement rules. Given the Australian Energy Market Operator (AEMO) consulted with stakeholders on these changes through its various five minute settlement working/focus groups, we are comfortable with the AEMC's proposal to expedite this rule change process. However, the issues noted below should be taken into consideration by the AEMC as part of its assessment process.

Resolution for calculating marginal loss factors (MLFs)

The proposed rule change is intended to provide AEMO with the flexibility to retain their current method of calculating MLFs on a 30 minute basis, with AEMO noting there is negligible benefit in calculating MLFs using five minute intervals. While Origin does not disagree with the proposed change at this time, we note more detailed consideration is currently being given to transmission loss factors under a separate rule changes process, which has implications for MLF calculations and their application. To the extent this rule change proceeds, we therefore agree that it should not preclude the AEMC from making subsequent changes to the granularity and timing of MLF calculations if such changes are ultimately considered appropriate.

Assign non-market unmetered loads to a Transmission Node Identified (TNI) or Virtual Transmission Node (VTN)

Origin supports the intent of this change, which is to clarify that each non-market unmetered load is to be assigned to a specific TNI or VTN. However, we consider that further specificity may be required in the associated metrology procedures and/or as part of an unmetered load guideline.

Origin is concerned that non-market unmetered loads could be aggregated in a way that gives rise to inaccurate unaccounted for energy (UFE) calculations. Consider the case where a customer has multiple non-metered loads of a similar type (e.g. public phones) across various geographic locations within a network. Under the proposed rule, a network service provider could still aggregate these loads under a single national metering identifier (NMI) and assign them to a single TNI. This would result in a

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loss factor being applied to a group of assets that may not accurately reflect the location of those assets within the network.

To address this, consideration should be given to requiring AEMO’s metrology procedures and/or an unmetered load guideline to specify that:

- all non-market unmetered loads are to be assigned a NMI that is tied to the same high voltage feeder and same TNI; and
- aggregation of non-market unmetered loads should be limited to assets of the same type, within the same geographic location and same customer.

If you wish to discuss any aspect of this submission further, please contact Shaun Cole at shaun.cole@originenergy.com.au or on 03 8665 7366.

Yours Sincerely,

Steve Reid
Group Manager, Regulatory Policy