



17 October 2019

John Pierce
Chairman
Australian Energy Market Commission

Lodged online: www.aemc.gov.au

Dear Mr Pierce

AEMC CONSULTATION PAPER: SYSTEM RESTART SERVICES, STANDARDS AND TESTING

Origin Energy Limited (Origin) welcomes the opportunity to provide comments on the AEMC's consultation paper on the rule change requests submitted by the Australian Energy Market Operator (AEMO) and Australian Energy Regulator (AER) relating to system restart services. Our views on the main aspects of the rule changes are set out below.

SRAS definition. Origin supports AEMO having the flexibility to procure System Restart Ancillary Services (SRAS) from a broader a group of technologies given the ongoing market transition in the NEM. AEMO should also be able to use SRAS to contract for restoration support if this would improve the ability of the system to recover after a black system event.

Generator Performance Standards. We do not consider that mandating new requirements through the Generator Performance Standards is the most cost-effective means of ensuring the timely system restoration. Requiring generators to implement the relevant capabilities will result in added costs and in some cases is unlikely to contribute to restoration (e.g. embedded generators will almost certainly not be called upon to support system restoration).

As a general principle, participants should be compensated for providing services that are valued by the market operator. The proposed new performance standards are unnecessary given AEMO should be able to use the revised SRAS definition to ensure the procurement of an appropriate mix of SRAS services to enable the restoration of the system.

SRAS procurement objective. We are concerned that any deviation from the current least cost approach in applying the SRAS procurement objective will reduce transparency around AEMO's SRAS contracting activities. We also note that AEMO already procures SRAS with regard to the National Electricity Objective; and that the SRAS standard already sets out views on what would be considered the timely restoration of the system. On this basis, a change to the procurement objective is unlikely to be necessary. It is also unclear on what basis contracting decisions will be made if the SRAS objective was amended as suggested.

SRAS testing. Origin agrees that networks should have a larger role in the testing of SRAS services. We also support requirements for networks to have communication protocols in writing which they would be required to follow. All parties involved should have a clear understanding of the actions that will be followed as part of the restoration process.

Procuring SRAS from Network Service Providers. Networks should not be called upon to provide SRAS as there is a conflict of interest between their role informing AEMO of the capability of SRAS providers, and providing the service themselves. In addition, the introduction of regulated entities as potential suppliers of SRAS will distort the competitive market.

Should you have any questions or wish to discuss this submission further, please contact Alex Fattal via email alex.fattal@originenergy.com.au or phone, on (02) 9375 5640.

Yours sincerely



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