



25 November 2021

Anna Collyer
Chair
Australian Energy Market Commission
PO Box A2449
Sydney South NSW 1235

Submitted online: www.aemc.gov.au

Dear Ms Collyer

Removal of unaccounted for energy from liable load in the Retailer Reliability Obligation – Consultation Paper

Origin Energy Limited (Origin) welcomes the opportunity to provide comments on the Australian Energy Market Commission's (AEMC) Removal of unaccounted for energy (UFE) from liable load in the Retailer Reliability Obligation (RRO) Consultation Paper.

Origin supports the rule change proposal to exclude UFE from the calculation of liable load under the RRO once Global Settlement (GS) commences on 1 May 2022. As identified by the Australian Energy Market Operator (AEMO), variability in UFE is likely to be difficult for retailers to accurately account for when forecasting their liability under the RRO, meaning there is potential for small changes in UFE to make a retailer non-compliant. Excluding UFE from liable load as proposed would address this issue in a simple and transparent manner. It would also provide retailers with greater certainty around their forecast liability than the alternate options outlined in the Consultation Paper.

While the AEMC notes the proposed rule could result in a proportion of load not being accounted for in the event a reliability gap is determined under the RRO, Origin does not consider this to be a material issue. Given UFE represents only around 0.02 per cent of demand (i.e. less than 50 MW on a NEM-wide basis)¹, any such proportion would be immaterial on a regional basis and is therefore unlikely to undermine incentives to support reliability during reliability gap periods.

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,

A handwritten signature in blue ink, appearing to read "Steve Reid".

Steve Reid
Group Manager, Regulatory Policy

¹ AEMC, 'Removal of unaccounted for energy from liable load in the Retailer Reliability Obligation – Consultation Paper', 28 October 2021, pg. 11.