



3 February 2022

Anna Collyer
Chair
Australian Energy Market Commission

Lodged online: www.aemc.gov.au

Dear Ms Collyer,

IMPROVING CONSULTATION PROCEDURES IN THE RULES – CONSULTATION PAPER

Origin Energy Limited (Origin) welcomes the opportunity to provide feedback to the AEMC on the consultation paper for the *Improving consultation procedures in the rules* rule change from AEMO.

Origin supports AEMO's intent to improve the efficiency of the consultation process that applies to subordinate instruments. However, we consider this is best achieved by retaining the existing *Rules Consultation Procedures (RCP)* and introducing an exemption so that minor procedural updates would not be subject to two rounds of consultation. We are concerned that AEMO's proposal runs the risk of compromising stakeholders' ability to assess the impacts and implementation challenges of major procedural changes prior to a final decision being made.

Merits of the two-stage consultation process

The existing two-stage RCP consultation process has several benefits:

- It provides stakeholders with the opportunity to thoroughly assess the impact of proposed changes and provide considered feedback.
- It enables decision-makers and stakeholders to reflect on comments provided during the first round of consultation. This helps both parties better understand the impacts of changes and refine their positions.
- It reduces the risk that material procedural changes will be missed by stakeholders. This is critical given the current pace and volume of regulatory change.
- It helps procedural changes to be efficiently delivered as industry has more time to identify potential implementation issues early in the change process. This helps to avoid complications and delays to change delivery.

The proposal to embed a single-stage consultation process as the default setting for the RCP would compromise stakeholders' ability to comprehensively consider and assess major procedural changes. While noting this is not the intent, this risk arises where the single-stage process is adopted for a more significant change due to AEMO not fully understanding the impact on market participants. As discussed below, a more appropriate approach is to maintain the two-stage process as the default with allowance for a single stage process in certain circumstances as prescribed transparently in the rules.

Flexibility for minor procedural updates

We recognise that in some cases (e.g. minor procedural updates) two rounds of consultation may not be necessary. To address this, the AEMC should consider introducing a formal materiality threshold which an instrument would need to satisfy if AEMO would like it to follow an abridged consultation process. This threshold could be similar to the test used by the AEMC to determine whether rule changes should follow an expedited process (and it should include a window for stakeholder objections).

The introduction of a formal materiality threshold offers decision-makers greater flexibility to progress non-controversial changes more quickly and establishes a clear and consistent process for expediting procedure changes.

Other matters

We do not agree with the proposed removal of Rules provisions that allow stakeholders to request meetings with decision-makers. We note that productive one-on-one discussions can result in improved procedural outcomes as parties explore specific elements of a proposal in detail. The current rules are not an obstacle to AEMO hosting stakeholder forums which we agree are a very useful engagement tool.

Should you have any questions or wish to discuss this submission further, please contact Thomas Lozanov at thomas.lozanov@originenergy.com.au.

Yours sincerely,

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

Steve Reid
Group Manager, Regulatory Policy