



3 October 2024

Anna Collyer
Chair
Australian Energy Market Commission
Level 15
60 Castlereagh St
Sydney NSW 2000

Submitted online at: www.aemc.gov.au

Dear Ms Collyer

Shortening the Settlement Cycle – Draft Rule Determination

Origin Energy Limited (Origin) welcomes the opportunity to provide comment on the Australian Energy Market Commission's (AEMC) Shortening the Settlement Cycle – Draft Rule Determination (the Draft Determination).

Any change to the National Electricity Market's (NEM) prudential regime should enhance the efficiency of the market without compromising on the financial security of the Australian Energy Market Operator (AEMO) and market participants. In addition, the change should not impose costs on key stakeholders including electricity customers. While a shorter settlement cycle is intended to support these objectives, the anticipated benefits need to be substantiated, noting the proposal could potentially result in additional costs for some market participants depending on resultant changes to their respective maximum credit limits (MCL).

To support this, prior to the Final Determination, AEMO should outline any necessary amendments to the Credit Limit Procedures (CLP) and update its MCL calculator. This will allow the quantum of notional savings in retailers' credit support costs, and any net benefits for industry, to be determined.

It is proposed that an 18-month implementation period be established to give AEMO and market participants sufficient time to prepare for changes to the settlement cycle, meaning the proposed change would take effect in the first billing period after 30 April 2026. This timeframe would also enable AEMO to consult on and update necessary procedures, which is important. However, given the timetable of projects being delivered through the NEM Reform Program in 2025 and 2026 is congested, Origin considers it more prudent to target a Go-Live date in the November 2026 shoulder period, as changing CLP and MCL calculations in the lead-up to the winter peak season may create unnecessary challenges for market participants and AEMO.

If you wish to discuss any aspect of this submission further, please contact Steve Williams at steve.williams@originenergy.com.au or on 0409870998.

Yours Sincerely,

A handwritten signature in dark ink, appearing to read "S Cole".

Shaun Cole
Group Manager, Regulatory Policy