



13 February 2015

Australian Energy Market Commission
PO Box A2449
Sydney South NSW 1235

By electronic lodgement

EMO0029- Consultation Paper – Implementation advice on the shared market protocol

Origin Energy welcomes this opportunity to respond to the Australian Energy Market Commission's (the Commission's) consultation paper on the implementation of the shared market protocol (SMP).

The implementation of the SMP will mark a significant change to existing business-to-business (B2B) processes. In Origin's view, governance arrangements for the SMP should maintain an industry-led decision making process which may include expansion of the scope of the Information Exchange Committee (IEC) and participation by a broader group of interested stakeholders. The IEC has already proposed an open meeting format and if required, expansion of voting membership of the IEC can take place via a rule change. Such an approach would address a number of the concerns associated with industry-led decision making and governance.

Interested stakeholders should have the option of attending meetings and presenting views (which may include third parties, consumer bodies and so on). Independent members (including the IEC chair) should maintain an open forum to hear views and discussion from all stakeholders.

Assigning governance of SMP development and implementation exclusively to the Australian Energy Market Operator may not reflect the objectives and priorities of market participants, who ultimately are responsible for using the SMP to deliver services to consumers. By engaging in broader consultation, supporting access to IEC meetings for all interested stakeholders and requiring an independent chairperson, Origin believes the right balance will be struck between industry, third party and AEMO needs in relation to the development, implementation and maintenance of the SMP.

In terms of objective and principles, Origin believes the B2B principles are a potential starting point for the SMP principles that could apply in the future to new procedures. The National Electricity Objective itself is too broad to apply to the SMP and the B2B principles will need to consider additional matters raised by a broader stakeholder group given the increased scope of the SMP relative to B2B.

The SMP itself should include the services listed in the minimum specification; however, market participants and accredited third parties should not be required to use the SMP if they have an alternative arrangement that better aligns with their commercial objectives. Non mandatory services should not be included for the implementation of the SMP. These services should be included when there is a demonstrable market need and demand for their use.

In terms of roles and responsibilities, Origin believes that Metering Coordinators (MCs) should not be compelled to offer services via the SMP. This will allow flexibility for MCs and users of their services; if service seekers prefer the SMP as a platform to access minimum and additional services, then MCs will have an incentive to offer access via the SMP.

Access by third parties to the SMP should only be supported following authorisation to do so by AEMO. Since such third parties will be able to engage in the governance model through expanded IEC participation, all parties (market participants/MCs and third parties) should be aware of their obligations.


Regarding transition from the existing B2B e-hub to the SMP, our view is that a single transition point to either an expanded B2B or absorption of B2B into the SMP is the appropriate path. Maintaining separate systems will be costly and risks additional costs, delay of smart meter benefits and rework and error. The SMP could be a vehicle to provide existing B2B services; however, market participant use of core services used at present would not be optional (e.g. metrology requirements).

Origin does not have a firm view on the continued simultaneous operation of the B2B e-hub and the SMP. We suspect this will result in higher costs and our preference would be for a single cutover to an expanded SMP.

Ideally, the SMP would be operational ahead of the date that changes stemming from the expansion in competition in metering and related services rule change became effective. The alternative would mean that market participants who chose to use the SMP may not be able to comply with their obligations under the amended National Electricity Rules because the system will not be available (unless a period of no action is allowed). Origin acknowledges that significant work will need to be undertaken in order to allow the development and testing of the SMP to align with the effective date of the rule change. We would encourage the AEMC to engage (as it has done to date through the Power of Choice consultations) regularly with affected stakeholders in order to maintain a realistic implementation timetable that supports policy objectives and the capacity of stakeholders to prepare adequately for the changes.

Should you wish to discuss the contents of this response, please contact David Calder (Regulatory Strategy Manager) on (03) 8665 7712 in the first instance.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Hannah Heath', written in a cursive style.

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