



20 April 2011

Mr John Pierce
Australian Energy Market Commission
PO Box A2449
Sydney South NSW 1235

Dear Mr Pierce

GRC0008 - Short Term Trading Market (STTM) Data Validation and Price Setting Process

Origin Energy Limited (Origin) welcomes the opportunity to comment on the Australian Energy Market Commission's (AEMC's) Consultation Paper on the STTM data validation and price setting process.

Quality and certainty of market information are essential for effective market operations. The use of erroneous pipeline data, as transpired on 8 October 2010 and 1 November 2010, resulted in significant material pricing and consequential settlement impacts on trading participants in the STTM. It is important for market efficiency that appropriate protections are implemented to minimise the potential for these erroneous data events to occur.

Origin supports the Australian Energy Market Operator's (AEMO's) proposed Rule change to amend its data validation and price setting process for the STTM. The introduction of a new mechanism for the validation and subsequent rectification of data will enable market prices to be more reflective of market conditions. This will improve trading participants' confidence in the market.

Origin also supports this Rule change being considered under the urgent Rule change process. It is important that the changes be made as soon as possible, particularly ahead of the first winter period in which the STTM will operate. A delay to the implementation of the new mechanism leaves the market exposed to further significant erroneous data events.

If you have any questions or would like to discuss this submission further, please call me on (02) 8345 5233.

Yours sincerely,

A handwritten signature in blue ink, appearing to read "Jakob Vujcic".

Jakob Vujcic
Regulatory Risk and Policy Manager
Energy Risk Management