



25 November 2010

John Pierce  
Chairman  
Australian Energy Market Commission  
Level 5  
201 Elizabeth Street  
Sydney NSW 2000

Dear Mr Pierce,

### **GRC0005 - Timetable for Prescribed Gas STTM Reviews**

Origin Energy Limited (Origin) welcomes the opportunity to provide a submission to the Australian Energy Market Commission's (AEMC's) Rule change consultation on the timetable for prescribed gas short-term trading market (STTM) reviews.

Origin supports the Rule change given that in order for these prescribed holistic reviews to be effective, a sufficient period of STTM operation needs to have elapsed prior to commencing the reviews. Delaying and consolidating the reviews is likely to produce a better-informed assessment of the market's performance. AEMO will have time to analyse the market data collected over a number of seasons and undertake a comprehensive review, including stakeholder consultation. Efficiencies from consolidating the reviews are also likely.

"Teething problems" are common in newly established markets. While holistic reviews of the market are necessary, it is important that ad hoc reviews of specific elements of STTM design and operation be undertaken should the need arise. For example, there is an important and urgent review by the STTM Consultative Forum (STTM-CF) currently underway to address the risks associated with pipeline facility data error.

Subsequently, Origin notes that the current Rule change does not preclude AEMO from undertaking ad hoc reviews or initiating other Rule change proposals to improve the functioning of the STTM, such as any changes recommended from the STTM-CF's pipeline facility data review. If the outcomes of the STTM-CF's current review can be implemented swiftly, this will ensure that the new processes will have been in place for a sufficient amount of time for them to be considered in the prescribed review process.

Should you have any questions or would like to discuss this submission further, please call me on (02) 8345 5233 or Hannah Cole on (02) 8345 5500.

Yours sincerely,

Jakob Vujcic  
Regulatory Risk & Policy Manager