



16 August 2024

Clare Savage
Chair
Australian Energy Regulator

Submitted via email: ContractMarketMonitoring@aer.gov.au

Dear Ms Savage

Enhanced wholesale market monitoring and reporting – Draft Guidelines

Origin Energy Limited (Origin) welcomes the opportunity to provide comments on the Australian Energy Regulator's (AER) Wholesale Market Monitoring and Reporting Draft Guidelines.

Origin supports the intent of the Guidelines which is to provide transparency around how the AER will exercise its new wholesale market monitoring (WMM) and reporting powers. It is crucial the AER's information notices / orders are appropriately targeted, structured and standardised to minimise participant compliance costs. It is in this context we have provided comments on key aspects of the Draft Guidelines below.

1. Response template consultation and standardisation

Prior to issuing its first WMM notice / order we recommend the AER undertakes extensive consultation on the proposed data requirements and response templates. While we recognise the information sought by the AER may need to evolve over time, developing standard templates at the outset of the process that are largely held consistent will be fundamental to supporting streamlined data provision and minimising ongoing compliance costs for market participants. This is principally because it will allow market participants to develop the systems and processes necessary to efficiently capture / report the required information, noting variations to datasets / definitions can materially increase the level of compliance burden, particularly where they differ from reporting obligations under other processes such as the Australian Competition and Consumer Commission (ACCC) Electricity and Gas Inquiries.

2. Gas contract reporting threshold

The AER should align the gas contract reporting threshold with the level established in the ACCC's Gas Inquiry.¹ This will ensure consistency in reporting requirements and avoid the administrative burden associated with reporting on a broader dataset, noting the AER has proposed a relatively low threshold of 1 TJ/day that will likely capture relatively small, short-term deals. Applying a higher threshold (in line with the ACCC Gas Inquiry) would also not undermine the AER's ability to obtain a representative dataset on which market performance could be assessed.

¹ Under standard ACCC Gas Inquiry notices, participants are not required to provide information on contracts that are less than 3 months; or have a total contracted quantity of less than 0.5 petajoules.

3. Collection of historical information

The AER has determined not to include a restriction on the collection of historical information in the Guidelines. We recommend that a time limit is enshrined in the Guidelines to provide clarity / certainty to participants. A time limit of two years would be appropriate, as contracts executed prior to this are likely to have limited relevance in understanding current market conditions, and any key insights will have already been reported and considered in the ACCC's Inquiry reports.

4. Contract negotiation correspondence

We support the AER's draft decision not to collect contract negotiation correspondence. This information would be onerous for participants to provide and is not required to inform the AER's understanding of wholesale market performance.

5. Use of information

We remain of the view that information collected by the AER as part of its WMM function should not be used for enforcement / compliance purposes. Market monitoring is more appropriately used to address market outcomes as a whole, rather than a means of enforcing national energy laws and rules against individual participants.

If you wish to discuss any aspect of this submission further, please contact Thomas at thomas.lozanov@originenergy.com.au.

Yours Sincerely,



Shaun Cole
Group Manager, Regulatory Policy