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Dear Mr Adams

REBIDDING AND TECHNICAL PARAMETERS GUIDELINE – DRAFT CONSULTATION PAPER

Origin Energy Limited (Origin) welcomes the opportunity to comment on the AER's draft rebidding and technical parameters guideline.

Market Ancillary Services (2.3) and SCADA inputs (4)

The previous AER guideline included the following paragraph:

“The AER is cognisant of the practical difficulties of ensuring that the exact technical characteristics of plant at any point in time are reflected in bids precisely. Accordingly, it is not expected that participants should constantly rebid to update minor variations in plant characteristics. However, it is expected that more significant variations would be updated quickly¹.”

The removal of this paragraph has the unintended consequence of requiring participants to undertake continued rebidding to account for minor variations in plant output. Practically, large generation plant varies output by small amounts on a minute to minute basis. Without a reasonable expectation by the AER that the trader is bidding based on their best estimates of output, there is a potential for a breach of the guidelines during the normal course of operation.

Origin notes that clause 4 detailing SCADA inputs accounts for this small variation by stating that:

“in situations where a material difference emerges between SCADA values and *bid* or *offer* data, a *rebid*, containing a brief, verifiable and specific rebid reason should be submitted, to bring the *bid* or *offer* in line with the SCADA value.”

Origin believes the re-insertion of the paragraph from the 2009 guidelines or wording around material differences would enable participants to operate effectively and compliantly.

Inflexible Bid (2.2.4)

Under clause 2.2.4 the AER outlines the reasons for an inflexible bid. The final paragraph advises:

“*In order for system security to be appropriately managed, relevant participants should advise AEMO as soon as they recognise the need for a test that requires an inflexible bid.*”

Under 3.8.19 of the NER, participants must advise AEMO through the PASA process. This wording should be revised to:

“*In order for system security to be appropriately managed, relevant participants should advise AEMO as soon as practicable through the PASA process a bid or re-bid that is required for an inflexible test.*”

¹ Rebidding and Technical Parameters Guideline, AER, 2009, p.10

This further aligns with Clause 3.8.22A(d) which requires participants to make rebids as soon as practicable after becoming aware of a change in material circumstances.

Form of re-bid (3.4)

Origin does not support the inclusion of two time codes within each re-bid reason, where one is the time adduced and the other when the participant becomes aware of the change.

Clause 3.8.22(c)(2) specifies the re-bidding parameters and makes no mention of a requirement for a second time code within the bid reason.

Origin has invested in compliant systems that include the time adduced within the bid reason. The system has a further provision for a contemporaneous record (Clause 3.8.22(ca)) to show the time when the trader becomes aware of the incident. Origin believes this satisfies its obligations under the Rules and a more preferable form of re-bid for these guidelines would be in the following order:

Category {space} HHMM2 {space} DDD...D

Error Bids (6)

Origin has a robust compliance and training regime that seeks to significantly reduce errors. However from time to time, due to human error, there is a need to correct a bid which was entered with no malice or intent. Origin makes every effort to rectify these errors as soon as possible and where the error is material will self report to the AER in the best interests of compliance and market transparency.

Origin seeks clarity in regards to what conditions and types of errors would trigger the need to self report to the AER. The current paragraph in Clause 6 states:

“when errors are detected without sufficient time for a correcting *rebid* to be submitted, *relevant participants* should detail the error in a log book entry. *Relevant participants* should alert the AER within two business days of finding the error.”

This appears ambiguous and could result in unnecessary over reporting by participants for non-material errors. Further detail and an indication of the relevant Rule in the NER would be provide clarity for participants on their reporting obligations.

Origin looks forward to the final guidelines anticipated in February 2017. Should you have any questions or wish to discuss this information further, please contact James Googan on james.googan@originenergy.com.au or (02) 9503 5061.

Yours sincerely,



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