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Australian Energy Regulator GPO Box 520 Melbourne VIC 3001

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Day Ahead Auction Record Keeping Guideline - Consultation Paper

Origin Energy Limited (Origin) welcomes the opportunity to provide comments on the Australian Energy Regulator's (AER) Day Ahead Auction Record Keeping Guideline Consultation Paper.

Origin recognises the overarching intent of National Gas Rule (NGR) 666 and the associated AER Guideline. However, it is important record keeping requirements are defined in a way that ensures the information collected is relevant, while also minimising the overall level of reporting burden for shippers. Consistent with this, Origin has provided specific feedback on elements of the AER's Draft Guideline below. Further discussion on these issues is also provided in the confidential Attachment accompanying this submission.

1. Field(s): 'Time of event' / 'Time shipper noticed'

Origin does not believe the 'Time of event' / 'Time shipper noticed' categories are relevant in the context of monitoring renomination activity in the gas market. Understanding the timing of events and responses may be appropriate when monitoring generator rebids in the electricity market given the potential for the timing of a rebid to impact dispatch/settlement outcomes. However, the gas market is effectively balanced daily and it is unlikely that the timing of a shipper's renomination will have any financial impact on other shippers.

We therefore recommend replacing the 'Time of event' / 'Time shipper noticed' categories with a 'Time nominated' category. This would simplify the record keeping process and provide a more relevant description of any portfolio changes. While this would necessitate a rule change, we believe the proposed change is non-controversial and could be expedited by the Australian Energy Market Commission (AEMC) prior to the commencement of the capacity trading reforms on 1 March 2019.

2. Field(s): 'Reason(s) for renominations

Tracking underlying reasons for pipeline renominations is a complex exercise relative to the equivalent process in electricity, particularly across a larger gas portfolio. In the case of electricity market rebidding, generators are only required to report on the factors impacting a single supply point (i.e. the generation facility). By comparison, shippers will be required to track the factors influencing flows across multiple supply/delivery points on each pipeline, as well as the extent to which those factors have influenced flows on any interconnected facilities. Given renominations on one pipeline can have flow on effects across a portfolio, this means there may be multiple factors contributing to a renomination at a given point of time, though it could be difficult to accurately isolate all relevant factors beyond a specific primary reason.

Given this complexity, it would be useful for the AER to clarify that it is sufficient for shippers to record the primary reason for a renomination, noting it will ultimately be up to shippers to ensure the renomination reasons are still specific and verifiable.

3. Field(s): 'Transportation service'

As noted in the Consultation Paper, shippers have indicated that nominations/renominations are not always distinguishable by transportation service type across all facilities. Given facility operators will already be required to separately record the transportation service impacted by every renomination, Origin believes it would be more appropriate for the AER to reference the facility operators records to derive this information in the event contemporaneous records are called upon. This will avoid any unnecessary duplication of effort and disruption to existing systems/processes.

If you wish to discuss any aspect of this submission further, please contact Shaun Cole at shaun.cole@originenergy.com.au or on 03 8665 7366.

Yours Sincerely,

Steve Reid

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