



Mr Chris Muffett
Manager, Causer Pays Consultation
Australian Energy Market Operator (AEMO)

4 May 2018

Submitted electronically: causerpaysconsultation@aemo.com.au

Dear Mr Muffett,

CAUSER PAYS PROCEDURE – DRAFT DETERMINATION – APRIL 2018

Origin Energy Limited (Origin) welcomes the opportunity to comment on the Causer Pays Procedure consultation.

AEMO's draft determination details sixteen recommendations, of which two will proceed with implementation and the remainder either delayed or remain the same. Origin understands that the reason for the delay on the majority of recommendations is to better understand and incorporate the findings of the AEMC's Frequency Frameworks Review, especially around the use of primary frequency control.

With this in mind, Origin notes that the Causer Pays consultation has been developed after extensive consultation with industry, over a number of years, and that additional consultation on these issues should draw on the findings of this review process in an expedited manner.

AEMO's recommendation 4.1 proposes the development of seven sets of factors which will be used to calculate liabilities when NEM regions are islanded. The current procedures utilise global factors to assign causer pays factors to generators who have no impact on an islanded region. Origin believes this recommendation should be implemented as a priority to ensure causer pays costs are fairly reflected. We also understand that there is a significant time period involved in implementing this recommendation due to system changes and the NER Rule change process. As such the preliminary work on establishing the Rule change and understanding the system change requirements should begin immediately.

Finally, Origin supports AEMO's recommendation to disregard 4 second samples where the Frequency Indicator (FI) and system frequency are mismatched.

We look forward to working with AEMO on the next phase of this consultation once the AEMC's Frequency Frameworks Review has been further developed.

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,

A handwritten signature in blue ink, appearing to read "Steve Reid".

Steve Reid
Group Manager, Wholesale Regulatory Policy