



1 February 2024

Anna Collyer  
Chair  
Australian Energy Market Commission

Lodged online: [www.aemc.gov.au](http://www.aemc.gov.au)

Dear Ms Collyer,

### **Improving security frameworks for the energy transition – Transitional Services Update Paper**

Origin Energy Limited (Origin) appreciates the opportunity to provide comments on the Australian Energy Market Commission's (AEMC) Transitional Services Update Paper for the *Improving security frameworks for the energy transition* rule change.

As previously noted, Origin is supportive of AEMO completing the technical studies required to clearly define the security needs of the power system. The proposed Transition Plan for System Security, which will detail AEMO's evolving understanding of system requirements and how it plans to meet future needs, will promote transparency and ensure AEMO is accountable for this work. As an alternative to the current reliance on system directions, we also support the proposed introduction of different transitional service contract structures for established and emerging technologies. These contracts should provide AEMO with adequate certainty around service provision in the short term and encourage innovation in new technologies over the long term.

Below we set out some considerations that could improve the effectiveness of the proposed contracting framework:

- Clearly defining what technologies fall into each contract category (i.e. "Type 1" and "Type 2") – the AEMC should clarify whether novel solutions that relate to existing equipment could be supported by Type 2 contracts.
- Requiring AEMO to consult with participants on contract structure / conditions – transitional services contracts need to be workable and flexible. We support the proposed three-year contract duration for Type 1 contracts and note that bespoke contractual arrangements may be required for emerging Type 2 technologies.
- Providing guidance on how the emission intensity of technologies may be assessed – while we support requiring AEMO to consider emissions in its procurement decisions, we note that it may be challenging to accurately determine the emissions intensity of certain technologies (e.g. battery storage systems). There may be merit in the AEMC developing an emissions assessment methodology to assist AEMO.

If you wish to discuss any aspect of this submission further, please contact Thomas Lozanov at [thomas.lozanov@originenergy.com.au](mailto:thomas.lozanov@originenergy.com.au).

Yours Sincerely,

A handwritten signature in black ink that reads "S Cole". The "S" is large and stylized, and "Cole" is written in a cursive script.

Shaun Cole  
Group Manger, Regulatory Policy