



23 March 2012

Mr Neville Henderson, Chair
AEMC Reliability Panel
PO Box A2499
Sydney South NSW 1235

Submitted on website: www.aemc.gov.au

Dear Mr Henderson

REL0045 - System Restart Standard - Draft Determination

Origin Energy (Origin) welcomes the opportunity to comment of the Australian Energy Market Commission (AEMC) Reliability Panel's System Restart Standard (Standard) Draft Determination.

Origin supports the Panel's Draft Determination (Draft). A well designed, clear Standard promotes the National Electricity Objective by providing confidence around the restoration of the system following a major supply interruption. It is important for the Standard to achieve this by balancing the short and long term economic cost of a supply disruption with the procurement cost of SRAS services. An important element is the requirement for and restoration timeframes set out in the standard.

The contracting strategy of procuring primary and secondary services ensures the provision of services at an efficient cost to market participants. The \$36.7 million annual procurement cost for SRAS services is small given the \$7.4 billion in annual spot market turnover and, at 0.5% of annual turnover, is likely to be sustainable into the future.

Origin endorses the guidelines for specifying the diversity and strategic location of SRAS services. Specifically, we welcome the inclusion of fuel diversity in services. Recognising the diversity of energy supply in creating electrical energy acknowledges the diversity in generation supply across the NEM. Fuel is a logical addition to the guidelines of electrical independence and technological and geographical diversity for services.

Given the interim standard was published in November 2006, it is important to review the system restart standard. Fortunately, there have been no system black incidences to test the effectiveness of the regime. While untested, Origin is supportive of the consistency between the interim and draft standard with the standard unambiguous in expectation and requirements.

If you have any questions or would like to discuss this submission further, please contact Hannah Heath (Manager, Regulatory Policy) on (02) 9503 5500.

Yours sincerely,

A handwritten signature in blue ink, appearing to read "Phil Moody", written in a cursive style.

Phil Moody
Group Manager - Commercial, Analysis and Risk Services
Energy Risk Management

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