



15 February 2016

Australian Energy Market Commission
PO Box A2449
Sydney South NSW 1235

By electronic lodgement

ERC0198 – National Electricity Amendment (Extension of the Reliability and Emergency Reserve Trader) Rule 2016

Origin welcomes this opportunity to respond to the Australian Energy Market Commission's (AEMC) consultation paper on the proposal by the Council of Australian Governments Energy Council (COAG EC) to extend the Reliability and Emergency Reserve Trader (RERT) until 30 June 2019.

The COAG EC argues that an extension of the RERT is warranted given uncertainty created by the changing generation mix, and demand side policies not being fully completed. Origin notes that while AEMO has previously contracted for capacity under the RERT on three occasions no reserve capacity has actually been dispatched under the mechanism.

If the AEMC concludes that the RERT should be extended at this time, Origin considers it important that the mechanism does not become a permanent feature of the market. Where there are any concerns regarding future market reliability, the RERT is unlikely to provide the long term investment signal needed to ensure that supply and demand remain in balance.

Origin would welcome further discussion with the AEMC on this response. In the first instance, please contact David Calder on (03) 8665 7712.

Yours sincerely

A handwritten signature in blue ink, appearing to read "K. Robertson".

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