



26 April 2024
Extension granted.

NSW Independent Pricing and Regulatory Tribunal
ESS Regulator

Lodged by email: essregulator@ipart.nsw.gov.au

Dear Sir/Madam,

Response to consultation: Operational changes to scheme participant compliance processes

Origin Energy Limited (Origin) welcomes the opportunity to provide comments on IPART's operational changes to scheme participant compliance processes for the 2023 Energy Savings Scheme (ESS) and 2023-24 Peak Demand Reduction Scheme (PDRS) reporting periods.

Origin is a large Australian integrated energy company with activities in energy retailing, power generation, natural gas production and LNG export. Origin also has recent experience in exploring new product offerings and has focused on areas such as solar & storage, connected homes, electric vehicles (EVs) and future fuels including hydrogen.

Origin is a strong supporter of the ESS framework by consistently meeting its compliance and reporting obligations since its inception. In addition, Origin has been actively engaging with IPART since the inception of the PDRS in the 2022-2023 compliance period.

Our main points are outlined below, with more detailed responses to specific consultation paper questions in the attached table:

- ***AEMO purchase data***: The move from net electricity market purchase data to gross data reduces the administrative burden, we note that the estimated increase of 0.5%, will still lead to increased costs.
- ***Audit requirements***: We support the introduction of thresholds to minimise the administrative burden and costs to relevant scheme participants.
- ***Compliance timeline & other matters***: We outline points in the table for consideration to further assist with scheme compliance and improve usability within TESSA.

If you wish to discuss any aspect of this submission further, please contact [REDACTED]

Yours sincerely,

[REDACTED]
Susan Setiawan
Group Manager, Carbon Advisory, Regulations and Reporting
Origin Energy Limited
[REDACTED]



Attachment: Responses to consultation paper questions

Issue	Consultation question	Origin's response
1. Page 4	<p>AEMO market purchase data</p> <p>Does the move to providing gross electricity market purchase data present any issues or challenges for your business?</p>	<p>The change from net to gross electricity reduces administrative burden for participants. However, the variance stated in the paper, of less than 0.5% increase on average, presents a cost concern to consumers. While the spot price of PRCs is currently low, this would escalate if the price of PRCs increase in the coming years.</p> <p>As such, the proposed reform is positive operationally but not financially. Any cost increases would be passed on to consumers.</p> <p>Please consider the option where market participants can choose in the interim as we go through the upcoming transition to better understand the underlying data.</p> <p>We note that using SETCP the first half of the year until 1 June 2024, and the new AEMO ACE data in SET_ENERGY_TRANSACTION table for second half of the year, from 2 June 2024. However, the new formula is problematic for forecasting liability. Where Total gross electricity market purchases = XENERGY - INENERGY + IGENERGY from SETCP. The inclusion of IGENERGY Data will lead to greater to volatility from XENERGY data and poses challenges for liability calculations. Origin met with AEMO on 15 April 2024 and discussed these challenges.</p> <p>In addition, we recommend the transition of data is consistent with other schemes, such as the Renewable Energy Target (RET) and Victorian Energy Upgrade (VEU) Schemes. The concern is that this reform means new dataset approach used only for ESS and PDRS.</p>
2. Page 5	<p>Audit requirements</p> <p>Do the revised audit requirements present any issues or challenges for your business?</p>	<p>Please provide further information on how the thresholds were derived, that is, 10GWh for the ESS compliance period and 45MWh for the PDRS compliance period.</p> <p>Please advise if these are set for the life of the scheme, if it will be reviewed at a future date, and if so, how often it will be reviewed.</p>

<p>3. Page 5</p>	<p>Compliance Timeline</p> <p>Would you like to see changes or improvements to the compliance timeline? Do you support the combined ESS and PDRS compliance cycle? Does the existing compliance timeline present any issues or challenges for your business?</p>	<p>The proposed timeline could be improved in a number of ways:</p> <p>For instance, the deadline for PDRS exemptions and liable acquisitions is 31 May 2024. This presents a short timeframe, requiring preparations of audit now (April 2024), prior to this timeline being confirmed and published by IPART.</p> <p>The current timeline would be improved by clarifying the compliance period for the relevant milestones. For example, publish 4 peak days -PDRS (2023-2024), and provide AEMO data for ESS (CY23).</p> <p>As presented, the current timeline goes out to 2 May 2025. However, it is missing the milestone for 30 April 2025 - Publish 4 peak days for PDRS (2024-2025).</p> <p>IPART could add a step in the timeline for “Auditor nomination for PDRS/ESS”</p> <p>If a participant engages an auditor for both schemes in one engagement and this creates a risk for the engagement to be open for a long period of time.</p>
<p>4. Other</p>	<p>Other matters for consideration</p>	<p>Origin would also like to take this opportunity to comment on TESSA portal improvements.</p> <p>Firstly, in the PDRS Declaration of Liable Acquisition (DLA) submission via the TESSA Portal, the period drop down is year: 2022- 2023. Given the reporting period for PDRS is Nov 2022 - Mar 2023, it would be beneficial to have this as an option to select the specific reporting period.</p> <p>Secondly, all the documents uploaded are same for ESS and PDRS. As such, the system should be able to pick these from either of the options, once uploaded. This could be instead of requiring multiple uploads.</p> <p>Lastly, there should be consideration given to the need to enter document type and file names for each entity – for ESS and PDRS. For an entity with multiple reporting entities, the system should allow the use of drop-down options to refer to existing documents uploaded for another entity. Especially where the document is same. Currently, after a user responds “yes,” the system requires user to add and name each of the subsequent fields multiple times, which is a loss of effort and time.</p>