



21 August 2015

Mr Richard Webster
Manager, Regulatory Reporting
Essential Services Commission of South Australia
GPO Box 2605
Adelaide SA 5001

Submitted by e-mail: escosa@escosa.sa.gov.au

Dear Richard

Review of the Retailer Energy Efficiency Scheme (REES) Guideline – Draft Decision

Origin Energy (**Origin**) appreciates the opportunity to make a submission in relation to the Commission's Draft Decision following a review of REES Guideline No. 6 (**Guideline**).

Origin acknowledges the Commission's proposed amendments to the Guideline are intended to provide greater clarity to retailers' reporting requirements, resulting in more consistent and verifiable data being available to the Commission in order to determine REES targets.

We make comments in relation to the following matters:

Total Electricity and Gas Purchases

Origin assumes the intention of proposed Clause 2.2.1(d) is that retailers provide total gas and electricity purchases information for all South Australian retail customers during the relevant financial year. Whereas sales to large customers are reported as a proxy for designated electricity and gas purchases, we assume total energy purchases information relates to purchases in the wholesale energy market.

If this is the case, it is unclear whether under Clause 2.2.1(d) retailers should also include energy purchases that are not specifically related to retailing to South Australian customers. For example, a retailer purchases energy for hedging purposes or for usage in retailer-owned generation facilities.

We submit that confusion may arise through references to 'total gas and electricity purchases' in Clause 2.2.1(d) when other statistical requirements are expressed in terms of 'sales', which is stated to refer to consumption and which represents designated 'purchases'. Greater clarity might be achieved by providing further guidance in relation to Clause 2.2.1(d), including examples of the types of records that relate to energy purchases and defining total purchases data to mean energy purchases for retailing to South Australian customers.

It is unclear whether the future calculation of REES targets will continue to use AEMO purchases data or retailer provided data, and the approach of the Commission in the event of discrepancy between the two. Origin further submits in light of the above matters that have potential to be the source of confusion or differing interpretation among retailers that consistency is best achieved by continuing to use the AEMO data and not burdening retailers to provide their version of the same information.

Sales and Consumption

Noting that the Commission is endeavouring to clarify through amendments to Clauses 2.2.4(iii) and 2.2.5(iii) the distinction between 'sales that relate to consumption for the period' and 'sales for bills issued in that period' Origin are concerned that the distinction is less clear in the proposed

amendments through reference to 'actual [electricity][gas] consumption, as billed, by customers' which may be construed as a reference to sales relating to bills issued.

Origin submits this can be clarified by removing the words 'as billed' and simply requesting data in relation to 'consumption by customers'. If the Commission's intention is that prorated consumption from 1 July and to 30 June is included as necessary at the start and end of the period, then a requirement to provide 'prorated consumption' is clearer than 'as billed'.

Confidentiality

Origin asserts that any and all statistical information provided by us to the Commission pursuant to the Guideline is commercially sensitive and provided in commercial confidence. We reject the notion that retailers should have the onus under proposed Clause 1.3 to clearly identify confidential information in submissions under the Guideline, with the consequence that failing to do so subjects information provided to being made public.

Rather, Origin submits that it would be more appropriate under Clause 1.3 to confirm that no information submitted to the Commission under the Guideline will be publically released unless agreed by the Commission and retailer in writing.

Should you have any questions or wish to discuss this information further, please contact Roman Chan, Senior Compliance Advisor on (02) 9503 5978 or roman.chan@originenergy.com.au.

Yours sincerely



Ben Hercus

**Compliance and Risk Manager, Retail & Solar and Emerging Businesses
Energy Markets**