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Dear Sir or Madam

NATIONAL GAS EMERGENCY RESPONSE PROTOCOL OPTIONS PAPER

Origin Energy (Origin) welcomes the opportunity to comment on the MCE's National Gas Emergency Response Protocol Options Paper. The options paper provides a well structured overview of the three main alternative institutional arrangements required to coordinated emergency responses. Of the Lead Agency Option, Permanent Committee Option and the Central Agency Option, Origin now favours the Permanent Committee Option. Origin had previously preferred a Central Agency type solution based on the assumptions that this would be more effective and lower cost. Origin still believes that some aspects of the Central Agency, and perhaps even the Lead Agency, model could be incorporated into the Permanent Committee Option.

However, it is now apparent that a Permanent Committee Option would be able to provide more experienced and pertinent input into the assessment of national gas emergencies due to the following reasons:

- Committee representatives would be cognisant of the very latest information with regard to national gas supply and demand developments
- The low occurrence of gas incidents¹ will inevitably limit the skill base of a Central Agency
- Committee representatives will have more timely and detailed access to relevant information with regard to both the emergency and the options available to mitigate and recover from gas supply shortages.

The Permanent Committee Option could readily outsource some of its ongoing administrative and planning responsibilities such as the maintenance of national curtailment tables, planning emergency exercises and simulating incident responses to new service providers or existing market operators. This will minimise the establishment and ongoing costs of this option.

¹ "Gas incident" has the same meaning as that used in the Options Paper- an event that may cause a significant imbalance in gas supply and demand that may threaten system security and lead to market failure.

The options paper mentions that there are several issues to be considered in relation to all three protocol options, some of which are costs, benefits and risks and it maybe that the most appropriate option can not be finally determined until these issues are further understood. Origin is of the view that the following issues and principles also need further understanding and development:

- The extent to which current jurisdictional powers and processes will change and the impact on existing emergency procedures and market operations.
- Cost recovery mechanisms and principles for parties affected by government intervention and directions
- The principles and processes related to the revocation of emergency powers and the return to normal operations.

Origin agrees that the protocol options should focus on incident management mechanisms that are workable in the current gas market and accepts that these may need to be changed if changes are made to the wholesale gas market.

Should you require further information please do not hesitate to contact Randall Brown on 03 96525880.

Yours sincerely

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