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### **Gas Market Parameter Review 2018 – Consultation Paper**

Origin Energy Limited (Origin) welcomes the opportunity to provide comments on the Australian Energy Market Operator's (AEMO) Gas Market Parameter Review 2018 – Consultation Paper.

Origin is supportive of undertaking a review of gas market parameters and price setting arrangements in the Short Term Trading Market (STTM) and Victorian Declared Wholesale Gas Market (DWGM). Collectively, these market settings play an important role in limiting financial risk for market participants while simultaneously allowing the market to send appropriate price signals in support of reliability of supply. It is therefore important they remain fit for purpose over time, particularly in the context of the broader east coast energy market.

Consistent with this, Origin is supportive of Market Reform's proposal to consider market parameter settings against a broad range of scenarios that are designed to test the interaction of both gas and electricity markets. Electricity and gas markets are now more interrelated than ever, with electricity/gas price relativities strongly influencing where gas is ultimately directed. Ensuring price settings are appropriately aligned across these markets is therefore essential. In this regard, it is worth noting the Cumulative Price Threshold (CPT) and market price cap in the National Electricity Market (NEM) have increased over time.

In undertaking the assessment, Market Reform is also proposing to simulate settlement outcomes for a broader range of representative market participants relative to previous reviews. This includes a retail business operating across both gas and electricity markets. While Origin is supportive of this approach, the settlement outcomes for each participant category will still be influenced by assumptions around the level of contract cover for each participant type. Consideration should therefore be given to assessing market outcomes against a range of different contracting levels.

If you wish to discuss any aspect of this submission further, please contact Shaun Cole at [shaun.cole@originenergy.com.au](mailto:shaun.cole@originenergy.com.au) or on 03 8665 7366.

Yours Sincerely,

A handwritten signature in blue ink, appearing to read "Steve Reid".

Steve Reid  
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