



25 June 2021

Nicola Falcon
General Manager, Forecasting
Australian Energy Market Operator (AEMO)

Submitted via email: energy.forecasting@aemo.com.au

Dear Ms Falcon,

AEMO'S FRG CONSULTATION – LONG-TERM BUSINESS MASS MARKET (BMM) FORECASTS

Origin Energy Limited (Origin) welcomes the opportunity to provide feedback on AEMO's long-term BMM forecasts as part of the Forecasting Reference Group (FRG) consultation process. Origin supports the use of energy intensity as a means of modelling changes in sectoral energy consumption but considers that more clarity is needed on how AEMO intends to apply long-term trends in its model.

Specifically, we support the proposal to use non-linear trends, such as an exponential decay, for long-term energy intensity projections. It is not clear, however, how these will be applied in practice for each sector and scenario. We understand AEMO may need to make distinct assumptions for energy intensity trends for the different sectors and across the various scenarios to capture the likely differences in consumption drivers, such as electrification and uptake of electric vehicles.

AEMO should therefore clearly explain how these assumptions and trends will be chosen to improve transparency. In addition, AEMO should ensure its energy intensity and other assumptions (such as electrification) are consistent with the Inputs, Assumptions and Scenarios Report.

Should you have any questions or wish to discuss this submission further, please contact Sarah-Jane Derby at Sarah-Jane.Derby@originenergy.com.au or by phone, on (02) 8345 5101.

Yours sincerely

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

Steve Reid
Group Manager, Regulatory Policy