

17 March 2021

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

Submitted via email: ISP@aemo.com.au

Dear Ms Falcon,

AEMO'S DRAFT 2021 INPUTS, ASSUMPTIONS AND SCENARIOS REPORT (IASR) – SECOND ROUND CONSULTATION

Origin Energy Limited (Origin) welcomes the opportunity to comment on AEMO's updated proposed approaches to the draft IASR following the first round of consultation. We provide comments on three aspects of the proposed changes:

- **Replacing the central scenario with “current trajectory” and “2050 net zero” outlooks:** We understand that having split central scenarios may provide flexibility to incorporate the latest government policies over the coming months. However, having split scenarios is confusing and it is not clear which one would be used as the “most likely” scenario in the modelling. If AEMO proceeds with split scenarios, it should be clear on which scenario is central prior to the draft ISP.
- **Approach to decarbonisation in scenarios:** We support the proposed approach to model the updated “sustainable growth” (strong decarbonisation) and “export superpower” (more rapid decarbonisation with hydrogen) as distinct scenarios, with “rapid decarbonisation” (more rapid decarbonisation but without hydrogen) as a sensitivity. Rapid decarbonisation as a scenario would be too similar to sustainable growth, but as a sensitivity it may provide useful information on the relative costs of decarbonisation. To capture the breadth of potential futures, modelling sustainable growth and export superpower as scenarios with appropriate weightings applied, is preferable.
- **Converting the diversified technology scenario into a low gas price sensitivity:** Given that the diversified technology scenario did not appear to be internally consistent, we support AEMO's proposal to capture this potential future through a low gas price sensitivity instead, as suggested in our first-round submission.

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



Steve Reid
Group Manager, Regulatory Policy