



8 February 2016

Karen Doran
Executive Director
Economic and Financial Group
Chief Minister, Treasury and Economic Development Directorate
GPO Box 158
Canberra ACT 2601

By e-mail: energyindustrylevy@act.gov.au

Dear Ms Doran

Investigation of the ACT Energy Industry Levy

Origin welcomes this opportunity to respond to the Directorate's consultation on the Energy Industry Levy (EIL) in the Australian Capital Territory (ACT). As an authorised gas and electricity retailer in the ACT, Origin is interested in the outcome of this consultation process.

Origin is generally supportive of the current process in relation to the distribution of regulatory costs. The options canvassed on page 8 of the consultation paper suggest a range of alternative approaches to distributing these costs. We do not believe these alternatives are an appropriate means of apportioning regulatory costs that relate to the energy industry.

The fixed methodology (Option 1) would not be an equitable approach for new entrant electricity suppliers. A variable methodology with a minimum fee (Option 3) would likely result in an outcome not dissimilar from the approach applied today. Option 4 would not be appropriate as a flat fixed fee apportioned across all energy industry participants does not reflect the way these authorisation holders operate (as a retailer or distributor).

A variable methodology (Option 2) may be the most appropriate of the alternatives described; however Origin believes that retaining the current approach at this time is preferable particular given the stage of development of competition in the ACT energy market.

In relation to insights that may be gained from other jurisdictions (page 9 of the consultation paper), Origin encourages consistency in the way that regulatory costs are recovered. The current ACT methodology is not dissimilar from approaches applied elsewhere (noting for example that Queensland relies on a variable approach).

Origin would welcome further discussion with the AEMC on this response. In the first instance, please contact David Calder on [redacted].

Yours sincerely

A handwritten signature in blue ink, appearing to read "K. Robertson".

Keith Robertson
Manager Wholesale and Retail Regulatory Policy