



INFORMATION

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Recovering the cost of AEMO's participant fees

Stakeholder submissions invited on new expedited rule change request

The Australian Energy Market Commission (AEMC) has published a consultation paper on a rule change request from Energy Networks Australia (ENA). The rule change request proposes a new mechanism that would allow Transmission Network Service Providers (TNSPs) to more directly recover the cost of new AEMO participant fees that have been recently allocated to them.

ENA's rule change request

The rule change request seeks to establish efficient processes for timely recovery of new AEMO participant fees that have been allocated to TNSPs.

Key features of ENA's proposed rule are:

- amendments to revenue and pricing methodologies to allow for direct cost recovery of new AEMO participant fees, rather than recovery through an AER revenue determination,
- alignment of AEMO's budgeting process and TNSPs' publication of transmission charges, and
- clarifying transfer payment arrangements between a Co-ordinating Network Service Provider (CNSP) and a TNSP.

ENA's rule change request is closely aligned with current rules relating to CNSPs' recovery of AEMO participant fees for the National Transmission Planner (NTP) function.

The Commission considers the rule change request to be non-controversial and proposes an expedited process

ENA has requested that the rule change request be treated as a non-controversial Rule in accordance with section 96 of the NEL. ENA considers that the proposed rule is unlikely to have a significant effect on the NEM and are of a non-controversial nature.

We consider that the proposed rule meets the definition of non-controversial Rule under section 87 of the NEL. Rule change requests that are considered to be non-controversial may be processed under an expedited (faster) process under which there is only one round of consultation and the AEMC must publish its final determination within eight weeks of commencing the rule change process. The Commission has decided to use an expedited process, provided that it does not receive any valid requests not to use the expedited process by **12 May 2022**.

Key dates in the rule change process

The key dates for stakeholders in this process are as follows:

- Commencement of this rule change process and publication of this consultation paper: 28 April 2022
- Due date for written requests not to use the expedited process: 12 May 2022
- Due date for submissions to the consultation paper: 26 May 2022
- Commission publishes final determination and final rule (if made): 23 June 2022

Background

Under the National Electricity Rules (NER) AEMO must publish:

- an annual budget of its revenue requirements by the start of each financial year, and
- a structure setting out how its budgeted revenue is to be recovered through participant fees.

In March 2021, AEMO published a final determination of its electricity fee structure for the period from 1 July 2021 to 30 June 2026. Key points included that:

- AEMO will start to charge specific TNSPs a proportion of AEMO's core NEM fees for the first time, to reflect AEMO's increasing involvement in network related activities, such as power system security.
- There is a transitional period of two years, so that TNSPs are not charged a proportion of core NEM fees until 1 July 2023, to provide time for a rule change related to TNSP recovery of these participant fees.

The ENA has attached a letter of support from AEMO to its rule change request, which can be found on the project page for the rule change request.

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28 April 2022