

8 May 2023

Mr Garth Crawford
Chief Executive Officer (Acting)
Energy Networks Australia
385 Bourke Street
Melbourne VIC 3000

Dear Mr Crawford

Consultation – AEMO Draft FY24 Budget & Fees

Thank you for taking the time to provide feedback on AEMO's draft FY24 Budget and Fees.

AEMO is appreciative of the continued feedback from ENA and we acknowledge your request to extend our budget outlook to five years and then seven years to provide additional transparency for market participants and stakeholders, particularly to assist ENA members to predict fees after 2027-28, when transitional arrangements allowing the direct pass through of participant fees comes to an end¹.

As you may be aware, AEMO currently presents a three-year forward outlook by segment on the budget to the Financial Consultative Committee (FCC) for its consideration. While implicit, this outlook provides a fee trajectory.

AEMO highlights that the level of estimation uncertainty is high when preparing forecasts longer than a three-year period, given the evolving nature of the policy environment, industry and AEMO's work. However, we will raise your request with the FCC at the next meeting in June to seek members' views as part of potential improvements for the FY25 budget process, which will begin in the second half of 2023.

AEMO will continue to notify each specified TNSP of its share of the participant fee by 15 February of each year.

AEMO would welcome the opportunity to work through ENA's requirements, and if you would like to contact us to discuss in detail, feel free to contact Judd.Johnston@aemo.com.au. We will get back in touch with you after the next meeting to share the outcomes of the discussion.

Thank you again for your feedback and continued interest in our work.

Yours sincerely

Vanessa Hannan

Executive General Manager – Finance and Governance

¹ AEMC, *Rule Determination: National Electricity Amendment (Recovering the cost of AEMO's participant fees) Rule 2022*.