



27 January 2016

AEMO  
Level 22  
530 Collins St  
Melbourne  
VIC 3000

By email to [jack.fitcher@aemo.com.au](mailto:jack.fitcher@aemo.com.au)

Dear Mr Fitcher,

### **Draft AEMO Approach - Electricity Markets Structure of Participant Fees**

AGL is one of the leading electricity generators, gas suppliers and energy retailers in Australia, with over 3.7 million electricity and gas retailer customers.

AGL's submission to AEMO's Electricity Markets Structure of Participant Fees last year recognised that participant fees are a significant expense to AGL, and that AGL therefore supports a nationally consistent and principles-based approach to setting participant fees. AGL's view is that this approach sustains the closest outcome to a level playing field amongst all energy providers.

AGL is broadly satisfied that the approach outlined by AEMO in the Draft Report on the Structure of Participant fees addresses the outcomes described above. In particular, AGL sees establishing re-opener triggers as a prudent way for AEMO to manage cost risks associated with the further implementation of Power of Choice, and to ensure these costs are appropriately allocated.

AGL is also satisfied that the proposed participant fees do, or will, reflect the extent to which the budgeted revenue requirements for AEMO will be proportionally met from any existing or new 'user' classes of AEMO systems where these user classes are confirmed in the Power of Choice outworkings as a class of participant.

AGL believes that in addition to the above, any other anticipated categories of participant fees should also be confirmed in the current consultation. One example would be the AEMC's recent SMP related rule changes which specify the creation of a new B2B e-hub participant. Appropriate cost recovery for that new B2B e-hub participant should be confirmed now, in the current consultation on participant fees, given the category will be active within the next five year period.

Finally, where a user transacts via AEMO's market systems, and makes no other use of the AEMO functions, then there is a compelling argument in AGL's view that only the transactional costs would apply to that user. This would require further disclosure on AEMO's part of the costs of market systems exclusive of the costs of other AEMO activity, a level of detail that is theoretically achievable and certainly desirable.

Should you have any questions in relation to this submission, please contact David Markham, Network Strategy and Regulation Adviser, at david.markham@agl.com.au or (03) 8633 6150.



Yours sincerely,

**Jenny Baltatzidis**  
Network Strategy Manager  
Network Strategy and Regulation