



27 January 2016

Ms Sandra Chui
Group Manager, Commercial Services
Australia Energy Market Operator Limited
GPO Box 2008
Melbourne 3001

By email to sandra.chui@aemo.com.au

Dear Ms Chui

RE: Draft Report - Structure of Participant fees in AEMO's electricity markets

ERM Power Limited (ERM Power) welcomes the opportunity to respond to the Australian Energy Market Operator's (AEMO) Draft Report on the structure of Participant fees in the National Electricity Market (NEM).

About ERM Power Limited

ERM Power is an Australian energy company that operates electricity generation and electricity sales businesses. Trading as ERM Business Energy and founded in 1980, we have grown to become the fourth largest electricity retailer in Australia, with operations in every state and the Australian Capital Territory. We are also licensed to sell electricity in several markets in the United States. We have equity interests in 497 megawatts of low emission, gas-fired peaking power stations in Western Australia and Queensland, both of which we operate.

Electricity Full Retail Competition

ERM Power welcomes AEMO's draft position to recover Electricity Full Retail Competition (FRC) costs from retail licensees on the basis of a charge per connection point (for retail customers in those jurisdictions that have implemented FRC). As outlined in our previous submission on this issue, we believe that a connection point rate is a more accurate reflection of the basis for costs incurred by AEMO, compared the current volume-consumed basis.

In terms of the practical arrangements for these arrangements, we would suggest the number of active connection points for which the participant is Financially Responsible Market Participant is updated every three months. This would strike an appropriate balance between accuracy and administrative burden.

Please contact me if you would like to discuss this submission further.

Yours sincerely,

[signed]

Jenna Polson
Manager, Regulatory Affairs
03 9214 9347 - jpolson@ermpower.com.au