

Australian Energy Market Operator
GPO Box 2008
MELBOURNE VIC 3001

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Declared NEM Project - NEM 2025 Reform Program

The Australian Energy Council ('AEC') welcomes the opportunity to make a submission to the Australian Energy Market Operator's Consultation on Declared NEM Project – NEM 2025 Reform Program.

The Australian Energy Council is the peak industry body for electricity and downstream natural gas businesses operating in the competitive wholesale and retail energy markets. AEC members generate and sell energy to 10 million homes and businesses and are major investors in renewable energy generation. The AEC supports reaching net-zero by 2050 as well as a 55 per cent emissions reduction target by 2035 and is committed to delivering the energy transition for the benefit of consumers.

The AEC does not currently support establishing the NEM 2025 reform program as a declared NEM project.

The NEM 2025 reform program refers to the suite of reforms required to facilitate the transition of the energy system as recommended by the Energy Security Board, and their coordinated delivery. These reforms are in various stages of development ranging from early design and conceptualisation to being within the remit of the Australian Energy Market Commission and the rule change process. Critically, many of the more significant reforms are not far progressed, with their design still to be determined by Energy Ministers.

At this stage, the AEC does not consider the NEM 2025 reform program meets the criteria for a declared NEM project:

- The AEC agrees that aspects of the program may constitute a major reform, but given how many key components remain undecided and are not yet adequately scoped, a determination is premature.
- It is not clear how these reforms will change AEMO's function, responsibility, obligation and power as specified in the Rules, and the Consultation Paper provides no supporting evidence.
- Major changes to computer software or systems have not been appropriately detailed or justified to meet criteria 2.11.1(ab)(3).

The AEC considers that AEMO should postpone consideration of establishing a declared NEM project until the NEM 2025 reform program is further progressed, with clear decisions and the ability to more appropriately scope and cost the initiatives. It is challenging for participants to appropriately consider a declared NEM project without a clear understanding of scope, AEMO's approach to project management, and potential costs.

Any questions about this submission should be addressed to me by email to ben.barnes@energy.council.com.au or by telephone on (03) 9205 3115.

Yours sincerely,



Ben Barnes
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