



**EnergyAustralia**

LIGHT THE WAY

10 March 2017

Mr Jack Fitcher  
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Dear Mr Fitcher

### **AEMO – Draft Determination - Structure of Participant Fees in AEMO’s Full Retail Competition market - 2017**

EnergyAustralia is one of Australia’s largest energy companies with over 2.5 million electricity and gas accounts in NSW, Victoria, Queensland, South Australia, and the Australian Capital Territory. We also own and operate a multi-billion dollar energy generation portfolio across Australia, including coal, gas, and wind assets with control of over 4,500MW of generation in the National Electricity Market.

While EnergyAustralia did not make a submission to the issues paper, we have considered the points made in other submissions and have the following comments. We note that Option 1, as presented in the Issues Paper, is a pragmatic and low cost solution however it does have inconsistencies in terms of the cost recovery not reflecting the costs associated with using, developing and modifying the relevant systems over time.

We agree with the points made by Origin Energy noting that while it is likely that DNSPs and MCs will pass on the relevant costs to retailers, it is important that the appropriate signal is sent to all users of AEMO’s systems reflecting the costs of using those systems and the risks relating to recovering fees associated with that service.

Where classes of participants are not directly exposed to the costs of utilising these systems, there is no incentive for more efficient behaviour. Additional requirements may be placed on the system, beyond the standard market transactions, further increasing costs that these participants are shielded from.

We agree with Origin’s submission that there are other uses for the relevant system that may be unrelated to the standard market settlements and transactions. It is likely that these uses may increase in number following the Power of Choice reforms and with networks developing unregulated revenue streams. Therefore it should be considered further how best to ensure to link costs to these participants.

Even though it was not provided as an option in the Issues Paper, we consider the AEMO should have broader regard to reviewing the mechanism for recovery of participant fees. This consideration should seek to adopt mechanisms that would allow for recovering costs in less resource intensive way and that do not discriminate against a particular class of participants.

If you would like to discuss this submission please contact Chris Streets on 03 8628 1393

Regards

**Melinda Green**

Industry Regulation Leader