

# FY25 Annual Results



# Housekeeping

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- Cameras and **microphones** for attendees are disabled for this event.
- Questions can be posted at any time through the Teams **Q&A function** at the top of your screen.



'Journey of unity: AEMO's Reconciliation Path' by Lani Balzan, a proud Aboriginal woman from the Wiradjuri people of the three-river tribe.

**We acknowledge the Traditional Custodians of the land, seas and waters across Australia. We honour the wisdom of Aboriginal and Torres Strait Islander Elders past and present and embrace future generations.**

We acknowledge that, wherever we work, we do so on Aboriginal and Torres Strait Islander lands. We pay respect to the world's oldest continuing culture and First Nations peoples' deep and continuing connection to Country, and hope that our work can benefit both people and Country.



READ OUR  
RECONCILIATION  
ACTION PLAN

# Agenda

01

## FY25 Business performance

Daniel Westerman  
CEO

02

## FY25 Financial performance

Vanessa Hannan  
EGM Finance and  
Governance

03

## FY26 Priorities

Daniel Westerman  
CEO

04

## Questions and answers

Violette Mouchaileh  
EGM Policy and Corporate  
Affairs

### Disclaimer

This presentation contains general information about AEMO's activities as at the date of the presentation, which is in summary form and does not purport to be complete.

It should be read in conjunction with AEMO's annual FY25 report. While this presentation has been prepared and is given by AEMO in good faith and with reasonable care, AEMO does not give any representation or warranty, express or implied, in relation to the statements or information contained in this presentation or as to its accuracy or completeness.

# FY25 business performance

**Daniel Westerman**  
Chief Executive Officer



# AEMO at a glance

- Independent, not-for-profit.
- Membership: 60% governments, 40% industry.
- Activities directed by national and jurisdictional electricity and gas law and rules.
- Funded primarily by participant fees, with direct funding for some specific activities.



**Operate energy systems**



**Operate energy markets**



**Plan and enable future energy systems**

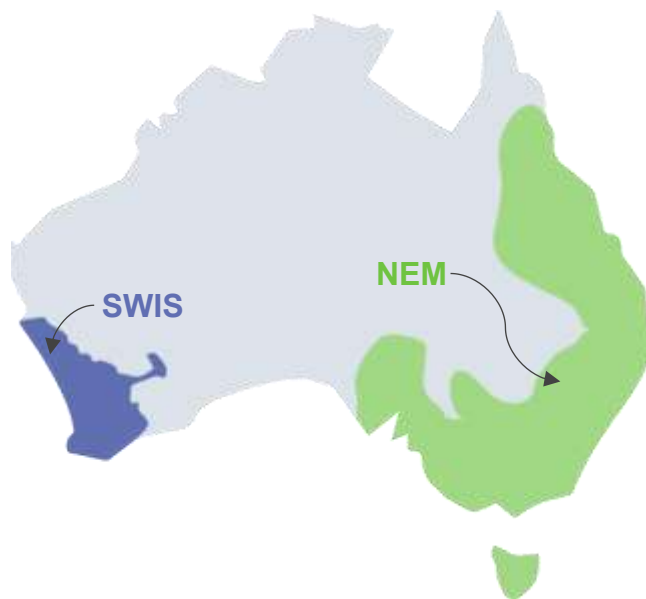


**Support new investment**

In the interest of consumers regarding security, reliability, cost-effectiveness & jurisdictional emissions targets



# Core functions by state



## Operate energy systems

Real-time operations NEM Power Systems



Real-time operations South West Integrated System (SWIS)



Operational forecasting and engineering analysis and modelling



Operational reserves and emergency and outage management



East Coast Gas Supply adequacy



Cyber Security (AEMO systems)



Cyber Security preparedness and response coordination in the NEM



Real-time operations Victorian Declared Transmission System (gas)



Victorian Transmission Network Service Provider



## Operate energy markets

National Energy Market (NEM)



Wholesale Energy Market (WEM)



Gas Bulletin Boards



Gas retail markets



Gas Day Ahead Auction



Gas Short Term Trading Market (STTM)



Gas Supply Hub (GSH)



Declared Wholesale Gas Market (DWGM)



## Enable the energy transition

System planning and planning support



Technical support and analysis



NEM reforms to wholesale and retail markets



WEM reforms



DWGM, STTM, Gas Bulletin Board, GSH and other gas reforms



## Support new investment

NSW Consumer Trustee



Tender delivery of the Federal Government's Capacity Investment Scheme



# Our executive team



**Daniel Westerman**  
CEO



**Michael Gatt**  
Operations



**Nicola Falcon**  
System Design  
(Interim EGM WA  
FY25)



**Kirsten Rose**  
Western Australia  
(Joined August 2025)



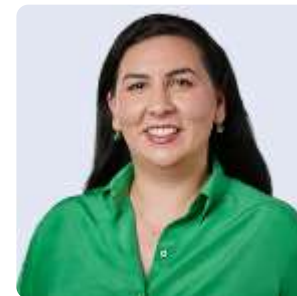
**Vanessa Hannan**  
Finance and  
Governance



**Gordon Dunsford**  
Digital



**Glenn Jackson**  
People and Culture



**Violette Mouchaileh**  
Policy and Corporate Affairs

# A complex and rapidly changing environment



## A power system in transition

- ✓ Coal plant retirements
- ✓ Large generation and storage pipeline
- ✓ Growing influence of rooftop solar
- ✓ Transmission underway
- ✓ Critical role of gas
- ✓ System security challenges as coal retires

## New records



Instantaneous renewables contribution  
**WEM: 85% NEM: 76%**

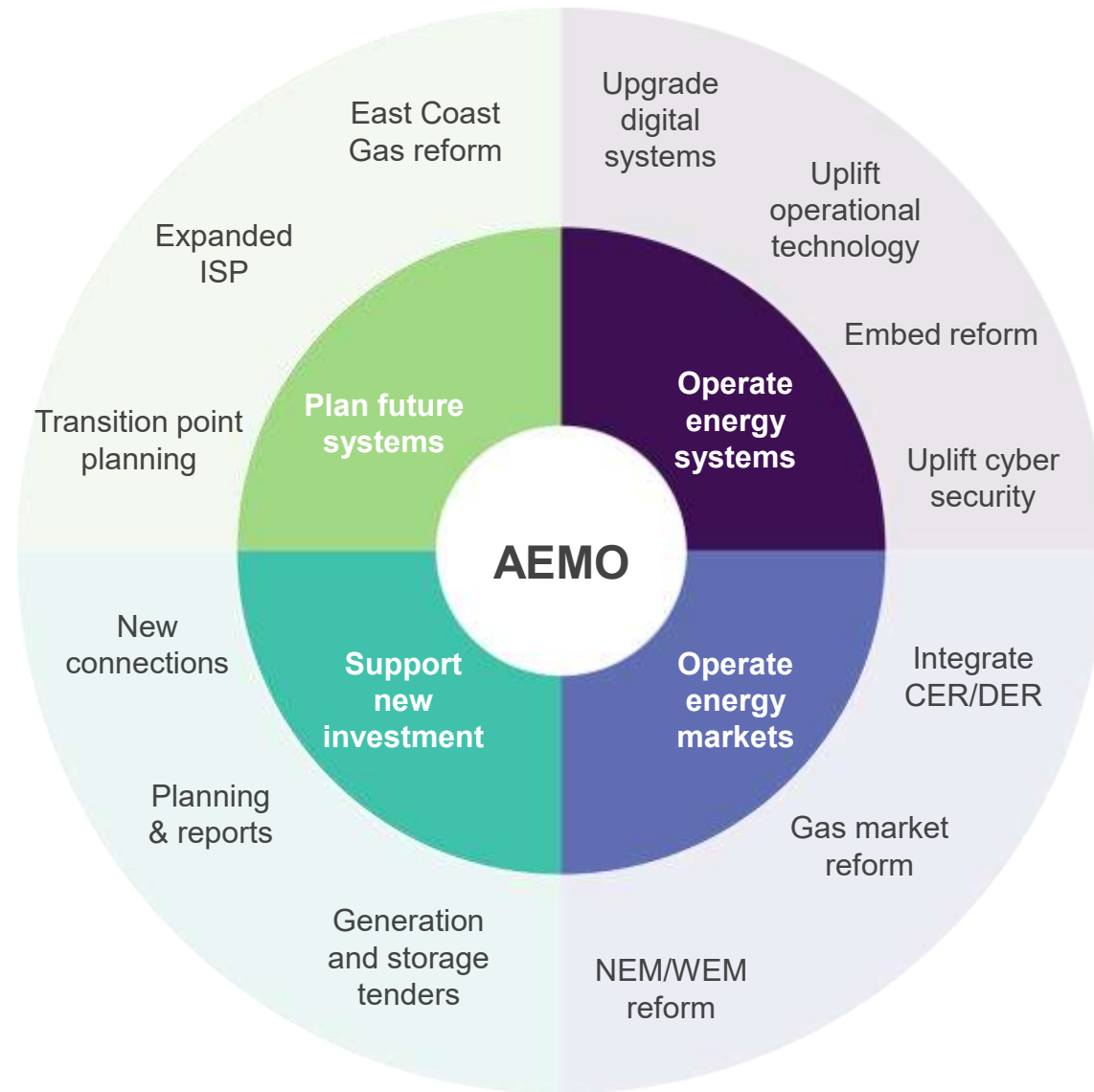


New connections  
**4.4 GW**



Gas generation and demand  
**Record levels of GPG**

# AEMO's role is evolving with the energy transition



# Our strategic corporate plan

## What's in our Strategic Corporate Plan

- AEMO's strategic priorities and outcomes
- AEMO's role
- Major initiatives by strategic priority
- Delivering our budget
- Governing our organisation

**Purpose:**

To ensure safe, reliable and affordable energy and enable the energy transition for the benefit of all Australians.

**Vision:**

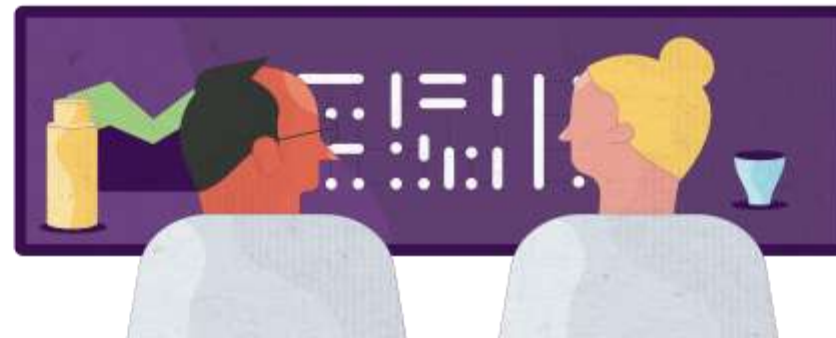
Enable net-zero

**Strategic priorities:**

1. Operating today's systems and markets	2. Navigating the energy future	3. Engaging our stakeholders	4. Evolving the way we work
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**Values:**

<b>Character</b> Be our best	<b>Connection</b> Better together	<b>Commitment</b> Make it happen
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# Operating today's systems and markets

## FY25 Highlights

- ✓ **Maintained energy system security and reliability**
  - Challenging operational extremes and demand records
  - Nil preventable load shedding, gas system pressure breaches
- ✓ **Integrated reforms into day-to-day operations**
  - NEM control room functionality
  - Frequency Performance Payments (FPP) reform
  - SCADA-lite services improve real-time grid visibility and widen market participation
- ✓ **Improved cyber preparedness and resilience**
  - National cyber emergency response exercises
  - Protected AEMO systems and market functions against cyber threats

## Performance

Initiatives delivered against our priorities

**Completed: 11**

**In progress: 4**

Energy traded:

**\$25.4B NEM | \$3B in the WEM**

Over **110,000** settlement statements issued and settled on time

Operated within technical limits **100%**

Operational forecast accuracy:

**NEM 94% | WEM 78%**

IT critical system availability **100%**



# Navigating the energy future

## FY25 Highlights

- ✓ **Preparations for grid operation with high renewable contributions**
  - Published the Transition Plan for System Security
  - Delivered on key Engineering Roadmap priorities
- ✓ **Accelerated grid connections and improved process**
- ✓ **Enabled essential reforms and market settings**
  - Support market and policy reform
  - Key market reforms in the NEM, WEM and gas
  - Minimum System Load framework supporting BESS
- ✓ **Supported essential investment in the energy transition**
  - Government investment programs CIS and NSW Roadmap
  - Analysis, advice and reports including ESOO, GSOO
  - ISP 2026 development (first half)

## Performance

Initiatives delivered against our priorities

**Completed: 13** | **In progress: 3**

Registered **37** new projects into the NEM, representing **9 GW** of new generation and storage

Delivered high priority regulatory reform projects:  
**NEM 38 | WEM 19**

Delivered **33** priority initiatives from the Engineering Roadmap

Completed **three** CIS tenders (covering **25** projects)

**956 MW** of new WEM capacity including **3** new grid-scale batteries.



# Engaging our stakeholders

## FY25 Highlights

- ✓ **Built greater understanding of the energy transition with consumers and the community**
- ✓ **Wide and deep consultation and collaboration with industry, government and community**
  - Consulted with 1,100 people through 2026 ISP development, including 16 webinars/workshops
  - New Consumer & Community Reference Group
  - Ongoing engagement on the WA revenue framework
  - Deeper insights shared with Financial Consultation Committee
- ✓ **Engaged with landholders and communities on VNI West through Transmission Company Victoria**

## Performance

Initiatives delivered against our priorities

**Completed: 4**

**In progress: 2**

Stakeholders rated AEMO's overall reputation at **75%**

Trust in AEMO to "do what we say we will do" increased **16% to 91%**.

AEMO On-air podcast had **18,900** downloads of **21** episodes

Energy Education courses: **6,200** people attended (+30%)



# Evolving the way we work

## FY25 Highlights

### Talent, capabilities, and culture

- ✓ Leadership development and career workshops

### Process and system improvement

- ✓ Matured risk management practices and culture
- ✓ Improved procurement practices, portfolio management and project governance

### Financial Health

- ✓ Review of operating costs against international peers
- ✓ Consultation on NEM participant fees structure

## Performance

Initiatives delivered against our priorities

**Completed: 14** **In progress: 0**

Employee survey inclusion score of **88%**

**5.7%** reduction in the gender pay gap

**1,200+** employees involved in 'AEMO Connect' forums in four states.

**6,000** applications for the graduate program

Inaugural Disability and Accessibility Action Plan

# FY25 financial performance

**Vanessa Hannan**  
EGM, Finance and Governance

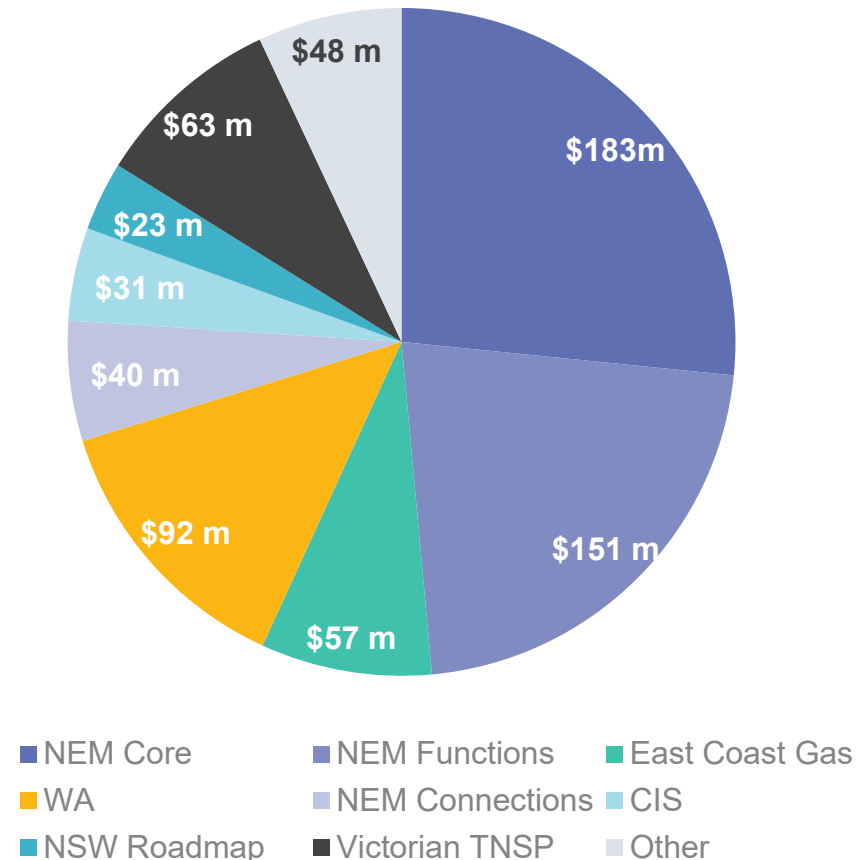


# FY25 financial highlights

## Demonstrating financial discipline in a complex delivery environment

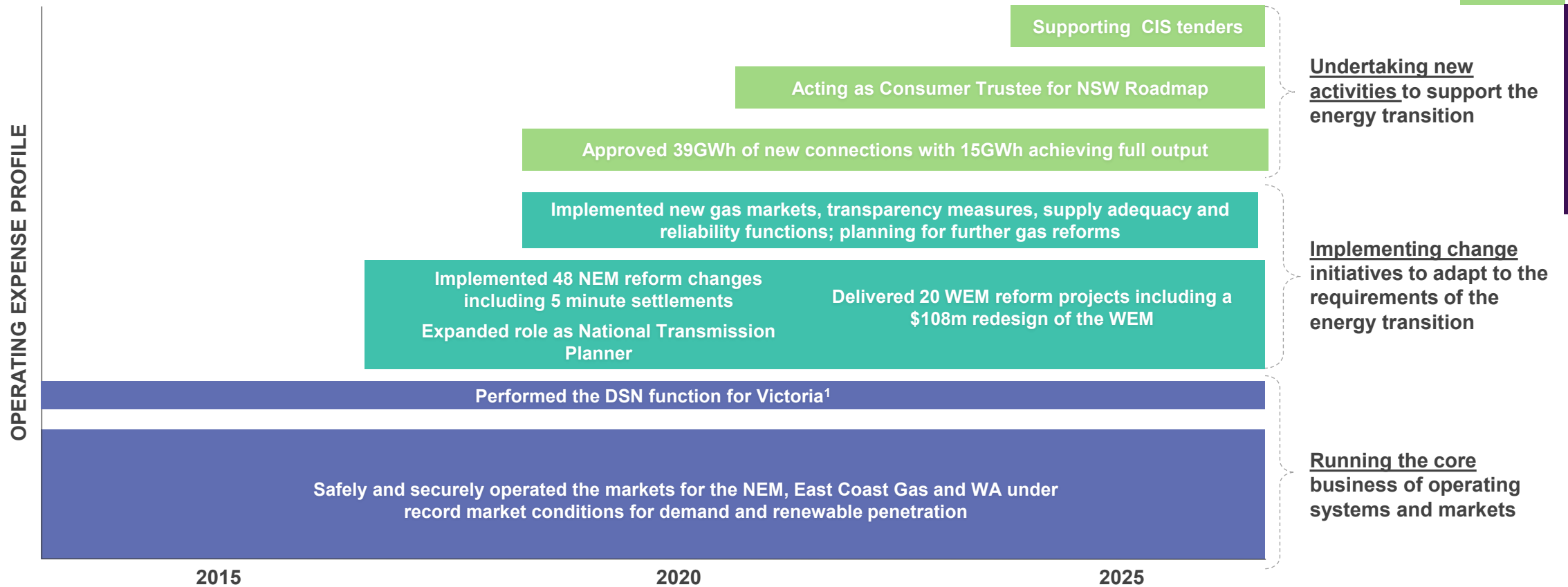
- **Operating expenditure \$688m**, below budget through labour, consulting and digital efficiencies including >\$20m delivered from commercial negotiations
- **Resolved** the historic NEM Core accumulated deficit as per our commitment
- **Delivered \$166m of investment activities** across 78 strategic projects including NEM and WA reform initiatives, operations technology upgrades and corporate modernisation activities
- **Enhanced balance sheet strength** which underpins the investment pipeline
- **Maintained AA2 Stable credit rating** (Moody's) and achieved syndicated loan facility reporting ratios

FY25 operating expenditure










# Operating expense profile

Evolving over time in line with our changing roles and responsibilities



1. AEMO's declared network functions are planned to transfer to VicGrid in 2025

# Segments at a glance

Market Fees Funded				Direct Fees Funded/ Transmission											
															
NEM Core		NEM Functions		East Coast Gas		WA Electricity and Gas		NEM Connections		CIS		NSW Roadmap		Victorian TNSP	
Safely, reliably, and securely operating the NEM.		The operation and evolution of the NEM, including National Transmission Planning, implementing reforms, facilitating retail market competition, consumer/distribution energy resources integration, cyber security coordination and other functions.		The operation and evolution of the East Coast Gas Markets.		Safely, reliably, and securely operating the WEM and perform some functions under the Gas Services Information Rules in WA.		Connections, registrations and onboarding activities in the NEM		Tender services for the Commonwealth's CIS to accelerate investment in renewable energy infrastructure.		NSW Consumer Trustee role for the NSW Electricity Infrastructure Roadmap coordinating planning of long-term investment in generation and storage in NSW		Network planning, procuring augmentations, non-network services and system strength, delivery of the VNI West project early works (planned transition of this role to VicGrid 2025)	



# NEM Core

NEM Core deficit resolved

## Value delivered in FY25

- **Securely and reliably operated systems and markets**, despite increasing market complexity including peak demand events and record renewable penetration
- **Strengthened system capability** through the Operations Technology Program delivering critical tools in analysis and forecasting
- **Participated in a series of emergency response exercises** to support system resilience including cyber security
- **Implemented Engineering Roadmap initiatives** supported by ARENA funding to develop the technical changes for the energy transition
- **Released the NEM Electricity Statement of Opportunities** to underscore the urgency for timely infrastructure delivery

## Future fee trajectory

- Above inflation increases consistent with global benchmarks, to reflect anticipated costs to manage escalating operational risks and prepare the energy system to manage times of 100% renewables.

## Operating expenses



**\$101m** Labour



**\$23m** Digital



**\$14m** Consulting & contractors



**\$20m** Depreciation, amortisation



**\$2m** Financing



**\$24m** Other

Total expenses:

**\$183m**

Under budget:

**\$25m**



# NEM Functions

Delivering initiatives to support the NEM

## Value delivered in FY25

- **16 NEM Reform initiatives delivered**, with a further 9 projects set for completion in FY26
- **Went live with Frequency Performance Payments** in June 2025 to improve frequency response in real time to assist with system stability
- **Enabled broader market participation with SCADA Lite**, a lighter more secure and cost-effective real time data solution
- **Uplifted ISP planning** with better gas modelling, scenario analysis and modelling tools to accommodate new factors
- **Provided Enhanced Reserve Information** to support participant decision making

## Future fee trajectory

- Continued elevated trend in depreciation, amortisation and financing costs through to FY28, reflecting the capitalisation of the ongoing investment program.

## Operating expenses



**\$46m**

Labour



**\$24m**

Digital



**\$11m**

Consulting & contractors



**\$48m**

Depreciation, amortisation



**\$10m**

Financing



**\$12m**

Other

Total expenses:

**\$151m**

Under budget:

**\$13m**



# East Coast Gas

Ensuring security of supply in a tight market

## Value delivered in FY25

- **Maintained reliable and adequate gas supply**
- Highlighted the faster than anticipated gas decline and **need for new supply side solutions** in the *Gas Statement of Opportunities*
- Implemented amendments to GSOO procedures to **incorporate hydrogen considerations**
- **Supported the transition** to a physically deliverable natural gas product on the ASX
- **Delivered reports to help inform the assessment of proposed rule changes** on system adequacy under Stage 2 reform

## Future fee trajectory

- \$7.5m increase in expenditure in FY26 to meet specific strategic initiatives such as supporting reforms that are now operational

## Operating expenses



**\$30m**

Labour



**\$9m**

Digital



**\$2m**

Consulting & contractors



**\$9m**

Depreciation, amortisation



**\$6m**

Financing



**\$13m**

Other

Total expenses:

**\$57m**

On budget



# WA Electricity & Gas

Operating under record market conditions

## Value delivered in FY25

- **Safely operated the WEM** under extreme market conditions with record low and high demand and distributed solar PV contribution
- Successfully delivered the **Reserve Flexible Capacity Certification – Release 1** with commencement of Release 2
- **Published the SWIS Engineering Roadmap**, and began implementing key initiatives
- **Commenced Project Jupiter** with Western Power and Synergy three-year project designed to accelerate the integration of rooftop solar, home and community batteries

## Future fee trajectory

- With a review underway of the Allowable Revenue Framework, the FY26 budget is based on FY25 indexed for wage inflation and CPI

## Operating expenses



**\$38m**

Labour



**\$5m**

Digital



**\$7m**

Consulting & contractors



**\$26m**

Depreciation, amortisation



**\$6m**

Financing



**\$9m**

Other

Total expenses:

**\$92m**

Under budget:

**\$1m**

# Direct funded segments

## Specific functions supporting the energy transition

### NEM Connections

- ✓ 23% more projects actively progressing through the connection process - from 43 GW to 53 GW
- ✓ Maintained consistent assessment timeframes and delivered key efficiency improvements



### Capacity Investment Scheme

- ✓ Completed three tenders delivering 995 MW of dispatchable capacity and 6.4 GW renewable generation.
  - SA-VIC & WEM (dispatchable capacity)
  - NEM (generation)



### Vic TNSP<sup>1</sup>

- ✓ Network services activities - system strength procurement, released the ITT for Stage 1 and commencing market sounding for Stage 2
- ✓ Supported development of VNI-West and Western Renewables Link transmission projects



### NSW Roadmap

- ✓ Completed NSW Tender for Long Duration Storage and access rights in the southwest Renewable Energy Zone (REZ)
- ✓ Published the SW REZ Access Fee Determination and the redacted CWO REZ Access Fee determination and guidelines

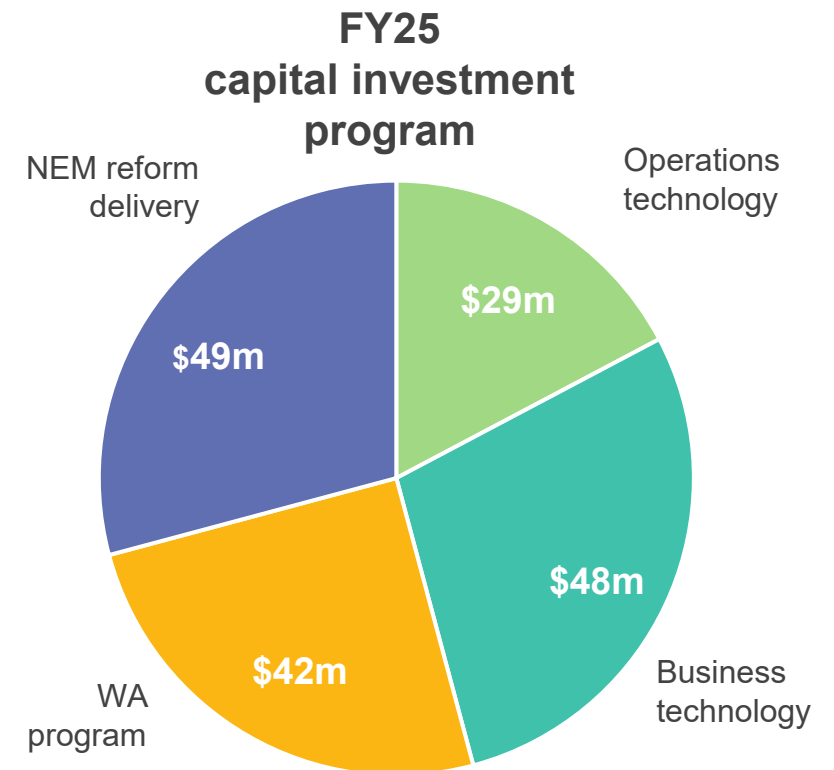


1. AEMO's associated declared network functions are planned to transfer to VicGrid in 2025

# Investment program delivery

## Ongoing strengthening of enterprise capability to support an evolving market

- ✓ \$166m in capital expenditure in critical initiatives enterprise-wide internal capabilities to strengthen systems, uplift capability, and support Australia's energy transition.
- ✓ 78 strategic projects, reinforcing our commitment to reliability, innovation, and maintaining sector-wide trust.
- ✓ In addition to core reform and operational projects AEMO delivered a new Finance ERP to support AEMO's corporate modernisation program
- ✓ Investment is underpinned by sustainable borrowing arrangements with repayment over time through depreciation and amortisation reflected in future fee structures.
- ✓ The AEMO treasury team plays a core role in providing cost effective funding leveraging AEMO's commercial syndicated financing arrangements, Australian Dollar Bond and CEFC loan



# FY26 Priorities

**Daniel Westerman**  
Chief Executive Officer



# FY26 Priorities



## Operating today's systems and markets:

- ✓ 24/7 operations
- ✓ Operational readiness
- ✓ Uplift operational tools
- ✓ Cyber security and digital system uplift
- ✓ Future system planning



## Navigating the energy future:

- ✓ Market and CER reform
- ✓ New connections to the NEM & WEM
- ✓ Clear investment signals
- ✓ Gas reliability and supply adequacy



## Engaging our stakeholders:

- ✓ Enhanced trust and reputation
- ✓ Peer review and international collaboration
- ✓ Analysis and advice to industry and government



## Evolving the way we work:

- ✓ Digital uplift and resilience
- ✓ Organisational capability
- ✓ Focus on strong governance, risk management and financial health as our role evolves

# AEMO's Purpose

To ensure safe, reliable and affordable energy and enable the energy transition - for the benefit of all Australians.





Questions  
and answers