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Australian Energy Market Operator
GPO Box 2008
Melbourne VIC 3001

Re: Declared NEM Project - NEM 2025 reform

Red Energy and Lumo Energy (Red and Lumo) welcome the opportunity to comment on the Australian Energy Market Operator's (AEMO) consultation paper which examines whether the National Electricity Market (NEM) 2025 reform is a 'declared NEM project' under the National Electricity Rules (Rules).

Pursuant to clause 2.11(ba) of the Rules, AEMO has the right to determine that any of the following projects are a "declared NEM project" including:

1. A major reform or development (including an anticipated reform or development) of the market; or
2. A major change (including an anticipated change) to a function, responsibility, obligation or power of AEMO under the Rules; or
3. A major change (including an anticipated change) to any of the computer software or systems that AEMO uses in the performance of any of its functions, responsibilities, obligations or powers under the Rule

We are confident that the NEM 2025 reform does not satisfy the definition of a 'declared NEM project' under section 2.11(ba) of the Rules at this time. The key reasons for this are:

- The NEM 2025 is a suite of energy reforms not a major reform being progressed by the Energy Security Board (ESB) to facilitate the transition of the energy system. Some of these reforms are in the early phases of their development whereas others have progressed as rule changes.
- With so many parts of the NEM 2025 policy reform being undecided, it is impossible to understand how the reform will impact AEMO's functions and responsibilities. This makes it very difficult to determine whether it is a major project at this time.
- There is insufficient detail provided on the scope of market systems, procedure and process requirements to provide participants with confidence that the Rules criteria has been met.
- The consultation paper appears to only make the case for justifying the NEM 2025 project as a 'declared NEM project' at a very high level raising serious doubts about whether AEMO has made a justifiable case to make the NEM 2025 project a 'declared NEM project.'

Given this, we recommend that it would be best for AEMO to defer consideration of whether the NEM 2025 reform project satisfies the definition of a 'declared project' under the Rules until the reform is finalised.

Red and Lumo thank AEMO for the opportunity to respond to this consultation, and apologise for the tardiness of the response. Should you wish to discuss, please call Con Noutso, Regulatory Manager on 0481 013 988.

Yours sincerely,

Stefanie Monaco
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