

4 March 2025

Lodged via email: [reformdevelopmentandinsights@aemo.com.au](mailto:reformdevelopmentandinsights@aemo.com.au)

### **AEMO's New Cyber Security Roles and Responsibilities Consultation**

Energy Networks Australia (ENA) welcomes the opportunity to make this submission in response to the Australian Energy Market Operators (AEMO) cyber roles and responsibilities consultation paper.

ENA represents Australia's electricity transmission and distribution and gas distribution networks. Our members provide more than 16 million electricity and gas connections to almost every home and business across Australia.

We acknowledge that AEMO, as an industry funded entity, recovers its costs from market participants. We support AEMO's role as the electricity operator and acknowledge that this includes ensuring the electricity system is protected against cyber security threats. We welcome AEMO's consultation on whether its increased cyber security roles and responsibilities should be a new NEM declared project.

ENA recognise the expanded roles and responsibilities of AEMO to perform cyber security-related functions. However, we do not support these functions being considered a NEM declared project. We believe that these fees are better considered NEM Core fees.

ENA encourages AEMO to consider:

- recovering costs for the new functions through NEM Core fees according to the existing TNSP allocations; and
- providing increased transparency on the costs of each of the new functions going forward, including a forecast for inclusion in revenue proposals.

#### **Support Costs Being Recovered through NEM Core Fees**

ENA considers it more appropriate and administratively simpler to recover these costs through NEM Core fees according to existing TNSP allocations. AEMO indicated to the Australian Energy Market Commission (AEMC) during the Rule making process that any fee structure for these new roles will be in place until the next general determination of NEM participant fees is made for the period 1 July 2026.<sup>1</sup> We would welcome the opportunity to discuss these new costs as part of the upcoming determination of NEM participant fees. This will ensure that any new fees are proportionate and consistent with any other changes made to participant fees.

In addition, ENA understands that AEMO will be maintaining costs below \$10 million per annum and therefore seeks to understand how this meets the criteria under 2.11.1(ba)(1) when compared with AEMO's total budget.

---

<sup>1</sup> Page v <https://www.aemc.gov.au/sites/default/files/2024-12/ERC0388%20Cyber%20Security%20roles%20and%20responsibilities%20Final%20Determination%20%281%29.pdf>

### **Transparency, Forecast and Timing**

ENA acknowledges AEMO's requirement to uplift its cyber capabilities to meet new roles and responsibilities. We understand AEMO has also commenced work to lift its own cyber maturity and consider it reasonable that market participants are provided a breakdown of these works and how they overlap with the new functions and costs.

Budget forecasts of AEMO's fee structure would be welcome by transmission networks who are required to meet strict Rules and timeframes in publishing prescribed transmission prices. This includes the requirement for AEMO to make upcoming financial year fees known to TNSPs by 15 February<sup>2</sup> for inclusion in prescribed transmission prices published by 15 March. Accordingly, ENA recommends that AEMO reflect the TNSP allocations and forecast by 15 Feb 2026.

More broadly, ENA considers there is benefit in better aligning the allocation of costs consistent with the regulatory timeframe to improve cost recovery and help smooth customer bills. This could be through providing a 7-year expenditure forecast as networks are subject to a 5-year regulatory period and initial revenue proposals are due to the regulator around 18 months in advance of the start of the regulatory period.

ENA looks forward to working with AEMO on this consultation and on future consultation on the fee structure statement to apply from 1 July 26. In the meantime, if you would like to discuss this submission, please contact Verity Watson ([vwatson@energynetworks.com.au](mailto:vwatson@energynetworks.com.au)) in the first instance.

Yours sincerely,



Dominique van den Berg  
**Chief Executive Officer**

---

<sup>2</sup> NER, clause 11.153.2