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Submitted by email: reformdevelopmentandinsights@aemo.com.au

NEM Participant Fee Structures Review – Consultation Paper

Origin Energy Limited (Origin) welcomes the opportunity to provide comment on the Australian Energy Market Operator's (AEMO) *NEM Participant Fee Structures* consultation paper.

With the increased focus on energy prices for consumers, it is important that AEMO provides maximum transparency as to the costs of operating the National Electricity Market (NEM), recovered through fees and charges, and the manner in which those costs are allocated to Registered Participants. Origin generally supports the existing Participant Fee Structure, which is simple and transparent, and offers the following comments with a view to enhancing that framework.

Registered Participants

As the NEM undergoes its transformation, the pace of regulatory change has accelerated. In the process, AEMO's roles and responsibilities have expanded and the range of stakeholders it will interact with over the course of the new Participant Fee period will increase further. Recognising this evolution, costs should be allocated across a broader group of Registered Participants than has historically been the case.

In particular, initiatives implemented under the NEM Reform Program and the National CER Roadmap, and rule changes such as the Accelerating Smart Meter Deployment Rule, will require Distribution Network Service Providers (DNSPs) and Metering Co-ordinators to engage more frequently with AEMO's systems, procedures, and processes. Consistent with the market body's guiding Fee Structure Principles of equitability and non-discrimination, Origin considers that these Registered Participants, which previously have not been subject to fees, warrant inclusion in the new Participant Fee structures.

Incremental fees

Origin agrees that the Participant Fee Structure should make provision for a separate incremental fee, directly payable by Registered Participants for specific activities not already captured as part of other fees. Using published charge-out rates, associated costs could be transparently determined and directly levied on a user-pays basis. This generic fee category should be broadly defined, with examples of relevant activities documented.

Fee Structure Period

Consideration should be given to reducing the fee structure period from five years to three years. A shorter interval would more appropriately balance the certainty and predictability of fee structures, with the flexibility for AEMO to more readily accommodate additional changes in the structures that may be required as major regulatory reforms are progressed over the short to medium term. Enabling this flexibility will ensure the Participant Fee Structure can remain fit for purpose, given the pace and scale of future reforms, including those that may arise from the NEM Wholesale Market Settings Review.

If you wish to discuss any aspect of this submission further, please contact Steve Williams at steve.williams@originenergy.com.au.

Yours sincerely,

A handwritten signature in dark ink, reading "S Cole". The "S" is large and stylized, and "Cole" is written in a cursive script.

Shaun Cole
Group Manager, Regulatory Policy