



# AEMO's NEM Participant Fee Structure Review

TO APPLY FROM 1 JULY 2026

**Under the National Electricity Law (NEL), AEMO may determine fees and charges for services provided by it under the NEL and the National Electricity Rules (NER).**

AEMO is required under the NER to develop a National Electricity Market (NEM) participant fee structure in consultation with Registered Participants. The fee structure determines the method of calculation of costs allocated to each Registered Participant or group of Registered Participants. The current fee structure expires on 30 June 2026. Once determined, the new fee structure will apply from 1 July 2026.

## About AEMO

As Australia's independent system and market operator and system planner, AEMO's purpose is to ensure secure, reliable, and affordable energy and enable the energy transition for the benefit of all Australians.

We do this by operating the electricity and gas systems and markets of today and planning the energy system of the future.

For more information: [www.aemo.com.au](http://www.aemo.com.au)

## How do AEMO fees work?

AEMO is a not-for-profit company that primarily recovers its costs through fees and charges allocated to Registered Participants under the relevant fee structure.

The NEM participant fees and charges process includes the following components:



1. AEMO develops the NEM participant fee structure.



2. Each year, AEMO undertakes a [budgeting and fees process](#) to determine its NEM revenue requirements in accordance with the NER.



3. NEM revenue requirements are then recovered from the market participants registered in that specific market, according to the relevant NEM fee structures.

## How does AEMO determine the fee structure for the NEM?

To determine the structure of fees that NEM Registered Participants will pay, AEMO facilitates an extensive consultation process in accordance with the NER. AEMO will work with stakeholders to:

**1. Develop several potential options for the proposed fee structure.**



2. Review these options to determine the most suitable fee structure.



3. Publish a Final Determination that sets out the fee structure.

The consultation process will include the publication of a Consultation Paper and Draft Determination for stakeholder consideration and feedback before the publication of the Final Determination. AEMO will also engage with stakeholders through webinars and workshops held throughout the consultation process, as well as through its [Financial Consultation Committee \(FCC\)](#), [Consumer and Community Reference Group \(CCRG\)](#) and other committees and forums.

The final fee structure will be published by 31 March 2026 at the latest, with an effective date of 1 July 2026.

AEMO is also [currently consulting on](#) whether AEMO's cyber security roles and responsibilities should be determined a declared NEM project, and if it is determined to be a declared NEM project, on the determination of the fee structure to recover costs for these roles and responsibilities. The outcomes of these consultation processes will be reflected in the broader NEM participant fee structure consultation for the new fee structure that will be effective on 1 July 2026.

# Indicative Timeline

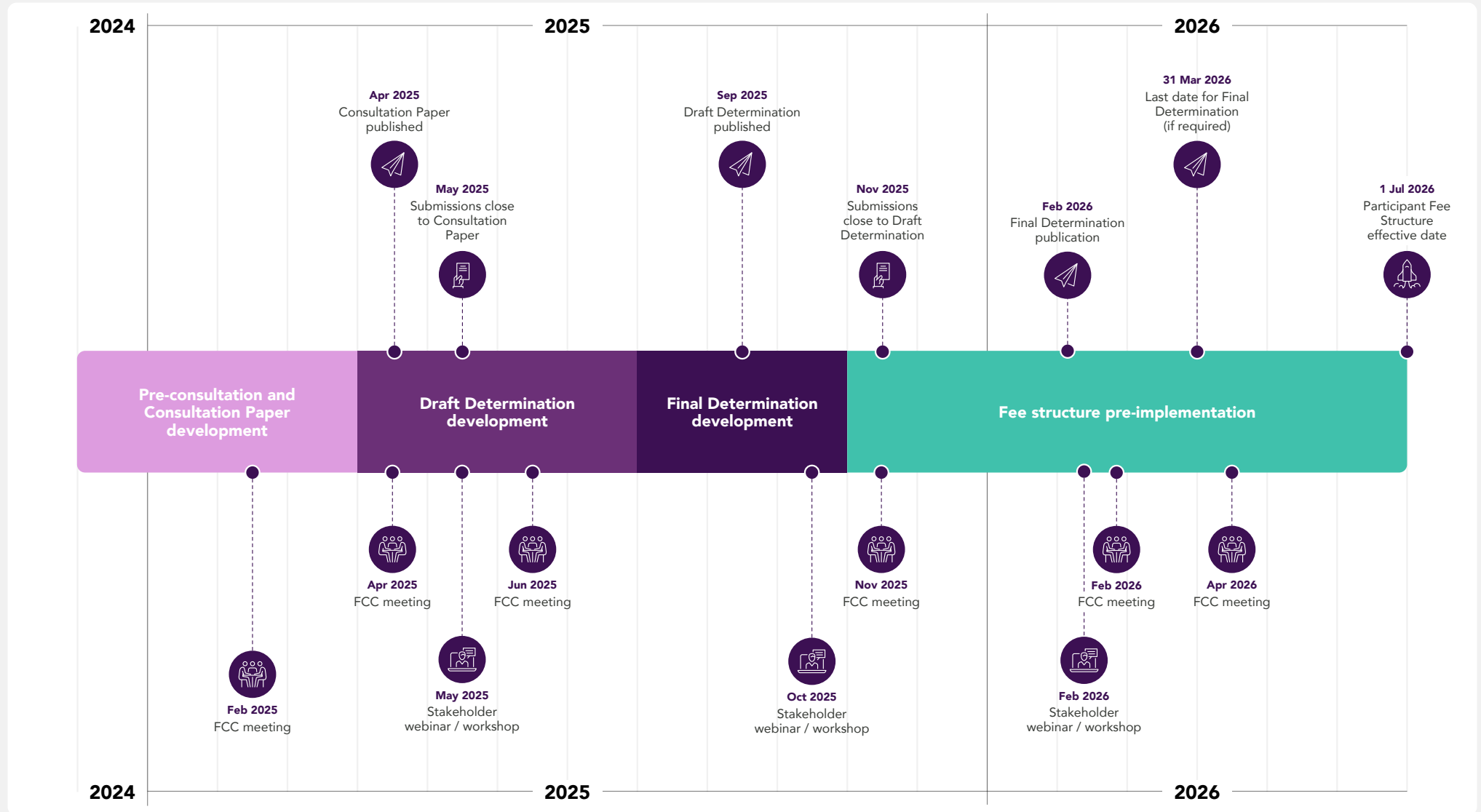
## Participant Fee Structure Review Engagement



### How can I participate in the consultation?

Interested stakeholders can participate in the consultation by making a submission to the Consultation Paper or Draft Determination or by attending webinars and workshops that will be held throughout the consultation period. AEMO will also publish regular updates in its AEMO Communications newsletter.

**For more information:** If you have any enquiries, please email [reformdevelopmentandinsights@aemo.com.au](mailto:reformdevelopmentandinsights@aemo.com.au)



# AEMO's Current NEM Fee Structures

AEMO currently has 11 discrete fee structures to recover its costs in performing its functions and obligations in the NEM.

These fee structures can be reviewed in greater detail at:

- [Electricity Fee Structures: March 2021 Final Report and Determination](#)
- [Structure of Participant Fees for AEMO's NEM2025 Reform Program: October 2023 Final Report and Determination](#)
- [Structure of Participant Fees for the CDR Declared NEM Project: June 2023 Final Report and Determination](#)

# Who pays NEM fees?



**Wholesale Participants:** referring to Generators, Market Network Service Providers, Integrated Resource Providers (now including Small Generator Aggregators) and Demand Response Service Providers (previously Market Ancillary Service Providers).



**Market Customers:** referring to electricity retailers and industrial users registered to trade directly in the wholesale electricity market.

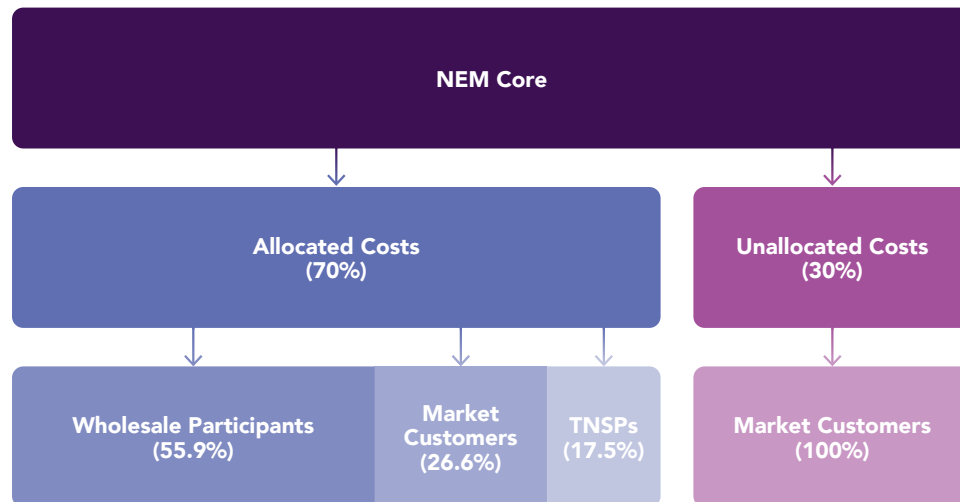


**Transmission Network Service Providers (TNSPs):** and, where a NEM region has more than one TNSP, the Co-ordinating Network Service Provider (CNSP).

Fees are currently charged by a range of metrics including by consumption (\$ per MWh) or by connection point (\$/NMI).

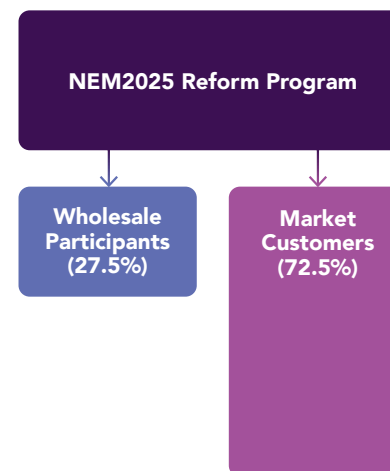
## NEM Core

The NEM Core represents costs associated with AEMO's core NEM functions, including power system security and reliability, market operations, long-term energy forecasting and planning, and metering and settlements.



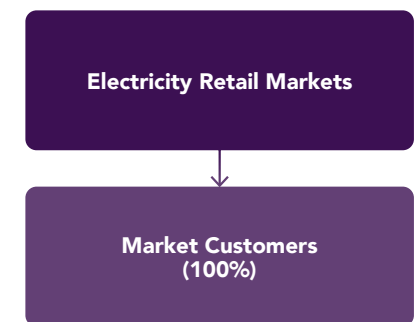
## NEM 2025 Reform Program

Costs associated with the [declared NEM project](#) that consists of a suite of reforms to address the needs of the energy transition.



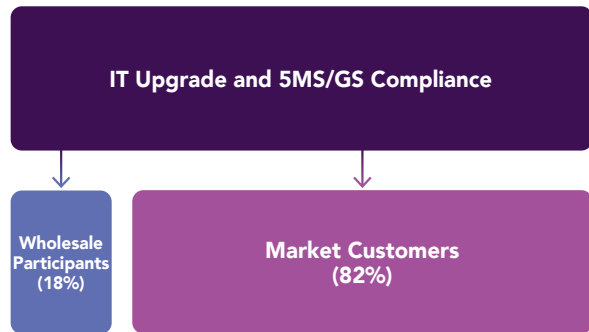
## Electricity Retail Markets

Electricity retail market costs include those associated with managing data for settlement purposes and other retail market functions.



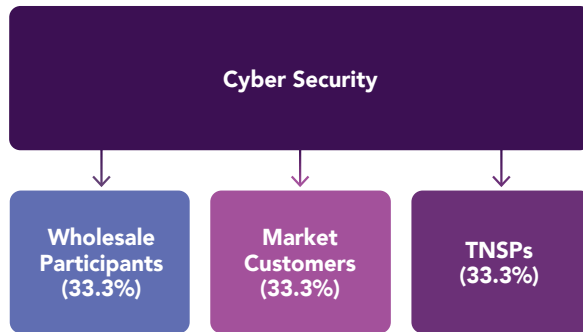
### IT Upgrade and 5MS/GS Compliance

IT Upgrade and 5MS/GS Compliance represents costs associated with implementation of the 5 minute settlement and global settlement rule change.



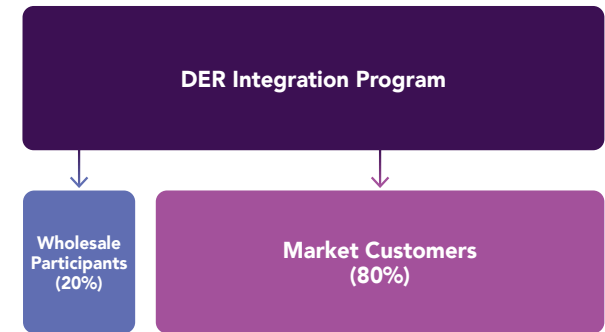
### Cyber Security

The Cyber Security fee represents costs associated with the new cyber security roles and responsibilities as defined under Chapter 4 of the NER



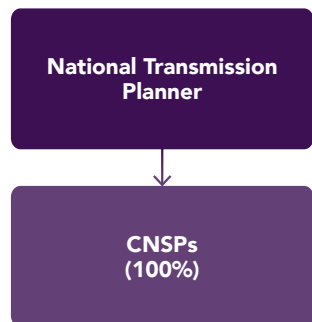
### DER Integration Program

Costs associated with addressing the technical and operational challenges of integrating DER into the energy system.



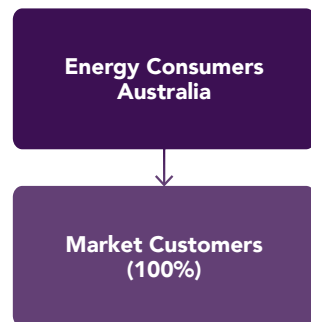
### National Transmission Planner

Costs associated with the National Transmission Planner (NTP) fees include AEMO's work on the Integrated System Plan and other system planning exercises.



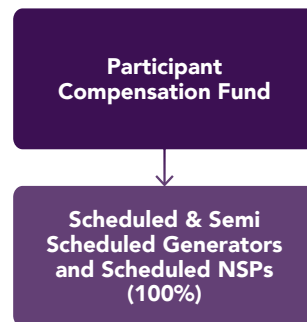
### Energy Consumers Australia

AEMO is required to collect funding for Energy Consumers Australia (ECA) to advocate on national energy market matters of strategic importance for energy consumers.



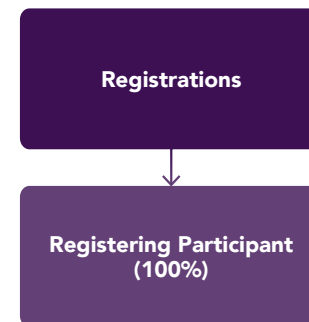
### Participant Compensation Fund

AEMO is required to maintain the Participant Compensation Fund (in accordance with the NER) to pay compensation to Scheduled and Semi-Scheduled Generators and Scheduled NSPs as determined by the Dispute Resolution Panel for scheduling errors.



### Registrations

Registration fees reflect the costs to AEMO in the registration of participants in the NEM.



### Incremental charges

Costs associated with tasks specific for a Registered Participant, whereby that action causes identifiable and material costs for AEMO. This is a direct charge to the Registered Participant based on the task.

