

# Minutes

<b>Meeting:</b>	Financial Consultation Committee
<b>Date:</b>	Wednesday, 21 February 2024
<b>Time:</b>	15:30 hours to 17:20 hours AEST
<b>Teleconference details:</b>	By Teams

## Attendees: External

AGENCY	NAME	ORGANISATION
AEC	Hayden Thomas	Synergy WA
AEC	Rachel Richardson	Engie
CEC	Tim Peters	Hydro Tasmania
ENA	Peter Price	Energy Queensland
ENA	Nadine Lennie	Transgrid
ECA	Katrina Porteus	Energy Consumers Australia
EUAA	Mark Grenning	Energy Users Association of Australia
Government	Jess Young	Victorian Department of Energy, Environment and Climate Action
Government	William Durrant-Whyte	NSW Department of Planning, Industry and Environment

## Apologies: External

AGENCY	NAME	ORGANISATION
CEC	Grant Appleton	Pacific Hydro

## 1 Introduction and welcome

- AEMO's Executive General Manager Finance and Governance and FCC chairperson Vanessa Hannan welcomed attendees to the meeting, acknowledged the Traditional Owners and outlined the meeting agenda.

- Vanessa introduced AEMO's new Group Manager of Strategic Finance, Cameron O'Donnell, and the broader AEMO team in attendance.
- The minutes from the prior meeting on 8 December 2023 were accepted, with one minor error relating to the date of the meeting noted for amendment.

## 2 FCC focus and plan

- The chairperson provided an update on the current and future focus of the FCC.
  - It was noted that the FCC was initially established in 2021 to address the identified deficit in the NEM Core market segment and provide greater transparency to stakeholders on AEMO's financial health and management. This will remain the FCC's purpose, with additional discussions regarding strategy and project implementation occurring both at an executive level and across other relevant forums and committees.
  - Members commented that there is a connection between how projects are implemented, their outcomes and demonstrating value for money and cost efficacy. The chairperson agreed and noted that AEMO will strive to provide greater detail around strategy and key initiatives and how these drive costs in the budget at future meetings.
  - A member enquired if AEMO could consider providing a 5-year budget forecast in the future. AEMO's GM Strategic Finance noted it was difficult to provide a 5-year forecast due to the uncertainty and complexity of the energy transition, but noted he was happy to work with the group further on forecasting.

## 3 NEM Core deficit recovery update

- Cameron O'Donnell provided an update on AEMO's progress to address the deficit in NEM Core.
  - It was noted the end of FY22 there was a \$100m deficit in NEM Core, primarily due to market participant fees not keeping track with investment. AEMO has been making strong progress to address the deficit in agreed 3-year deficit recovery pathway. However, several headwinds have driven increased costs and it is likely AEMO will need to extend the deficit recovery from 3 to 3.5 years, with the deficit to be fully cleared by end of FY26.
  - A member enquired about how participants and consumers could be assured that AEMO's expenditure was effective and prudent, that is, that its expenditure is value for money.
  - Another member enquired if AEMO was appropriately resourced to reduce headwinds and budget effectively.
  - In response, the chairperson noted that AEMO had been building its financial management capabilities, hiring new staff and had appointed new auditors and that it was consequently making improvements in its financial transparency and accountability.

## 4 FY25 Fees – February/March publications

- Cameron O'Donnell noted the National Transmission Planner fees and the TNSP portion of NEM Core fees for the FY25 budget were published on 15 February 2023.

## 5 Energy market cyber briefing

- AEMO's Group Manager of Cyber Security, Tim Daly, provided an update on AEMO's cyber security program and the broader cyber security landscape for the energy sector.

## 6 Wrap up

- The chairperson asked if there were any further points the FCC wished to discuss before closing the meeting.
  - Members enquired about a deeper dive into the NEM Core deficit recovery materials, and it was agreed that AEMO would follow up with interested members prior to the next scheduled meeting in April 2024.
- The meeting concluded at 17:20 AEST.