



Important notice

Purpose

AEMO consults on its proposed fee structure for gas participant fees, exchange fees and auction fees in accordance with the standard consultative procedure under clause 135CA(3) of the National Gas Rules (Rules).

This document has effect only for the purposes set out in the Rules, and the Rules and the National Gas Law (Law) prevail over this document to the extent of any inconsistency.

This publication has been prepared by AEMO using information available at 18 December 2023.

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Version control

Version	Release date	Changes
#1	18 December 2023	

Executive summary

The publication of this Final Report and Determination (Final Report) concludes the Rules consultation process conducted by AEMO to determine the term and fee structures to apply to gas Participant Fees, the Pipeline Capacity Trading (PCT) Exchange Fees and Auction Fees and East Coast Gas System Reform Program fees from 1 July 2024.

The current structure for gas Participant Fees as well as PCT services (comprising Exchange Fees and Auction Fees) came into effect on 1 July 2021 and expire on 30 June 2024. The two sets of fee structures are being considered in parallel through this consultation process given the alignment in end dates, requirement to consult in accordance with the standard consultative procedure under the National Gas Rules (NGR, the Rules), and several minor interdependencies.

Additionally, AEMO's new east coast gas system reliability and supply adequacy functions (established as part of the East Coast Gas System (ECGS) Reform Program) was defined as a major gas project at the time of commencement of the *National Gas (South Australia) (East Coast Gas System) Amendment Act 2023* (Amendment Act), in accordance with clause 135CB of the Rules.¹ This allows AEMO to consult and determine a participant fee to recover the costs of the project until the next general determination of participant fees, and given the timing of commencement of the Amendment Act in April 2023 and the commencement of consultation on the fee structures for gas Participant Fees, and PCT Exchange Fees and Auction Fees, AEMO elected to combine the two consultations into one.

On 27 September 2023, AEMO published the Notice of Second Stage Consultation and the Draft Report and Determination (Draft Report) to determine the terms and fee structures to apply to gas Participant Fees, PCT Exchange Fees and Auction Fees, and ECGS Reform Program fees from 1 July 2024. Table 1 below outlines the scope of these fees.

Table 1 – Scope of Gas Participant Fee Structure consultation²

Fee Type	Scope
Gas Participant Fees	<ul style="list-style-type: none">• Declared Wholesale Gas Market (DWGM)• Short Term Trading Market (STTM)• Retail markets (Vic, NSW/ACT, Qld and SA)• Gas Bulletin Board (GBB)• Gas Statement of Opportunities (GSOO)• Energy Consumers Australia (ECA) Fees

¹ On 12 August 2022 Energy Ministers agreed to take a range of actions to support a more secure, resilient and flexible east coast gas market. The Energy Ministers Meeting Communique on this decision is available here: [Energy Ministers Meeting Communique - 12 August 2022.docx \(live.com\)](#)

² AEMO notes that fee structures for the Gas Supply Hub (GSH), Western Australia Full Retail Contestability (FRC) Gas Market and Western Australia Gas Services Information (GSI) are out of scope for this consultation.

Fee Type	Scope
Pipeline Capacity Trading Exchange Fees and Auction Fees	<ul style="list-style-type: none"> Capacity trading platform (CTP) Day-ahead auction (DAA) Registration fee (CTP and DAA) Operational Transportation Service (OTS) Code Panel
East Coast Gas System Reform Program Fees	<ul style="list-style-type: none"> New to be determined as part of this consultation

Considering feedback received, AEMO's Draft Report proposed maintaining the existing fee structures for the gas Participant Fees and the PCT Exchange Fees and Auction Fees, and proposed to maintain the existing three-year term, but remove the three-year rolling period that currently applies to the fee term.

Additionally, AEMO presented three options for the ECGS Reform Program fee in its Draft Report, proposing a separate fee consistent with the existing Gas Statement of Opportunities (GSOO) fee structure as its preferred draft fee structure. The three options were:

1. A separate fee as per the current Gas Bulletin Board (GBB) fee structure, i.e. 50% from producers on a \$ / GJ produced basis and 50% from wholesale gas market participants on a \$ / GJ withdrawn basis.
2. A separate fee that levies costs on a withdrawal / consumption basis from Bulletin Board (BB) shippers only on an annual / quarterly basis.
3. A separate fee consistent with the existing GSOO fee structure, i.e. 30% from producers on a \$ / GJ produced basis and 70% from retailers on a \$ / supply point basis.

Stakeholder feedback

AEMO received three submissions to the Draft Report from AGL, APLNG and Origin Energy. These submissions have been published on AEMO's website: [AEMO | Structure of Gas Participant Fees](#)

Stakeholders supported AEMO's proposal to retain existing gas markets fee structures including the fee structure term, Registration fees, PCT Exchange fees and Auction fees, Retail Market or Energy Consumers Australia (ECA) fees.

Specific feedback was provided on the following key matters for consultation:

- GBB fee structure – APLNG resubmitted that the cost allocation to producers should be the same as the GSOO fee structure as their scope, function and beneficiaries are the same.
- GSOO fee structure – APLNG commented that the existing structure does not capture all end-use consumers and that further consultation with participants should be conducted so that there is no discrimination between end-users.
- ECGS Reform Program fee – AGL supported Option 1 (applying the existing GBB fee structure to a separate ECGS Reform Program fee), APLNG preferred Option 3 (applying the existing GSOO fee structure to a separate ECGS Reform Program fee), and Origin noted that in adopting Option 3, AEMO should ensure the cost allocation of the ECGS Reform Program fee better satisfies the cost reflectivity principle than Option 1.

AEMO appreciates the feedback received from stakeholders on these issues. AEMO has considered the feedback in deriving its final determination and assessed this feedback against the fee structure principles and the

National Gas Objective (NGO). This report outlines the reasons the final determination on balance best meets the relevant fee principles and NGO.

Further detail on the key points made in each submission, with AEMO's responses to these points, can be found in Appendix A2.

AEMO's final determinations

Having regard to the NGO, and after consideration of stakeholder submissions and consistent with the fee structure principles, AEMO's Final Report proposes the following approaches for the key matters under consultation as shown in Table 2.

Table 2 – Current vs Final structure of Gas participant fees

	Current liable registered participants	Current Fee structure	Final liable registered participants	Final Fee structure
DWGM				
Energy Tariff	Each Market Participant withdrawing gas from the Declared Transmission System.	\$ / GJ withdrawn	No change	No change
Distribution Meter Fee	Each Market Participant connected to a Declared Distribution System, or whose customers are connected to a Declared Distribution System, at a connection point at which there is an interval metering installation.	\$ / connection point with interval metering installation / day	No change	No change
Participant Compensation Fund (PCF)	Each Market Participant withdrawing gas from the Declared Transmission System.	\$ / GJ withdrawn	No change	No change
Initial registration fee	Each new DWGM market registered participant.	\$ / registration / registrable capacity	No change	No change
STTM				
Activity Fee	Each STTM Shipper and STTM User withdrawing gas at any hub.	\$ / GJ withdrawn	No change	No change
PCF	Each STTM Shipper and STTM User withdrawing gas at any hub.	\$ / GJ withdrawn / hub	No change	No change
Initial registration fee	Each new STTM market registered participant.	\$ / registration / registrable capacity	No change	No change
Retail				
Vic Gas Tariff	Each Victorian retail gas market participant participating in the registrable capacity of market participant – retailer.	\$ / customer supply point	No change	No change
Vic Gas initial registration fee	Each new Victorian retail gas market participant	\$ / registration / registrable capacity	No change	No change

	Current liable registered participants	Current Fee structure	Final liable registered participants	Final Fee structure
	registering in the capacity of market participant – retailer or market participant – other.			
Qld, SA, NSW & ACT Gas Tariff	Each retail gas market participant participating in the registrable capacity of retailer.	\$ / customer supply point (by jurisdiction)	No change	No change
Qld, SA, NSW & ACT Gas initial registration fee	Each new retail gas market participant registering in the registrable capacity of retailer or self-contracting user.	\$ / registration / registrable capacity	No change	No change
GSOO				
Producer fee	Each BB facility operator registered as the BB reporting entity for a BB production facility.	\$ / GJ produced (to allocate 30% of GSOO costs)	No change	No change
Retailer fee	Each retail gas market participant participating in the registrable capacity of market participant – retailer in Vic or retailer in NSW/ACT, Qld and SA.	\$ / customer supply point (to allocate 70% of GSOO costs)	No change	No change
GBB³				
Producer fee	Each BB facility operator registered as the BB reporting entity for a BB production facility.	\$ / GJ produced (to allocate 50% of GBB costs)	No change	No change
Wholesale gas markets participant fee	Each Market Participant withdrawing gas in the DWGM or each STTM Shipper or STTM User withdrawing gas at any hub.	\$ / GJ withdrawn (to allocate 50% of GBB costs)	No change	No change
ECA				
Energy Consumers Australia (ECA) On-Charge	Each retail gas market participant participating in the registrable capacity of market participant – retailer in Victoria or retailer in NSW/ACT, Qld and SA.	\$ / customer supply point	No change	No change
PCT				
CTP other transportation fee	Each trading participant - buyer and seller.	\$ / GJ of traded transportation service (excluding	No change	No change

³ AEMO notes that GBB registration fees for the BB participants have not been included in the table as per previous Gas Participant fee structure consultations. AEMO determined that these fees should not apply to BB participants due to the mandatory nature of providing information to the GBB, with an expanded set of participants required to provide information introduced through the [National Gas Amendment \(Market Transparency\) Rule 2022](#) made on 30 June 2022. This Rule was implemented on 15 March 2023.

	Current liable registered participants	Current Fee structure	Final liable registered participants	Final Fee structure
		compression service)		
CTP compression fee	Each trading participant - buyer and seller.	\$ / GJ of traded compression service	No change	No change
CTP licence fee	Each trading participant - buyer and seller.	\$ / licence / annum	No change	No change
DAA other transportation fee	Each auction participant.	\$ / GJ of auction service (excluding compression auction service)	No change	No change
DAA compression fee	Each auction participant.	\$ / GJ of compression auction service	No change	No change
Registration fee	Each new participant, including: <ul style="list-style-type: none"> • Part 24 Facility operators; and • Day ahead - Auction participants. 	\$ / registration / registrable capacity	No change	No change
OTS Code Panel	Each trading participant.	\$ / GJ on CTP and DAA trades	No change	No change
ECGS Reform Program (Stage 1)				
Producer fee	N / A	N / A	Each BB facility operator registered as the BB reporting entity for a BB production facility.	\$ / GJ produced (to allocate 30% of ECGS costs)
Retailer fee	N / A	N / A	Each retail gas market participant participating in the registrable capacity of market participant – retailer in Vic or retailer in NSW/ACT, Qld and SA.	\$ / customer supply point (to allocate 70% of ECGS costs)

Stakeholders should note that this consultation relates only to determining the terms and fee structures to apply to gas Participant Fees, the PCT Exchange Fees and Auction Fees, and ECGS Reform Program fees from 1 July 2024. The actual amount charged for each fee is determined separately through AEMO's annual budget process.



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1 Consultation overview

As required by the National Gas Rules (NGR, the Rules), AEMO consulted on the fee structures to apply to gas Participant Fees, Pipeline Capacity Trading (PCT) Exchange Fees and Auction Fees, and East Coast Gas System (ECGS) Reform Program fees from 1 July 2024.

This consultation only applied to the structure of fees considered. The actual amount charged for each fee is determined on an annual basis via the AEMO budgeting process.

1.1 Key Information for the consultation

Purpose	To provide stakeholders with the opportunity to have input into the development of the structure of gas Participant fees													
Date applicable	<ul style="list-style-type: none"> • 1 July 2024 – 30 June 2027 (Gas participant fees, PCT Exchange fees and Auction fees) • 1 July 2024 – 30 June 2026 (ECGS Reform Program fees) 													
Gas functions covered in this consultation	<ul style="list-style-type: none"> • Declared Wholesale Gas Market • Short Term Trading Market • Retail markets (Vic, NSW/ACT, Qld, SA) • Gas Bulletin Board • Gas Statement of Opportunities • Energy Consumers Australia Fees • Pipeline Capacity Trading fees <ul style="list-style-type: none"> - Capacity trading platform - Day-ahead auction - Registration fees (CTP and DAA) - Operational Transportation Service Code Panel • East Coast Gas System Reform Program Fees 													
Timetable	<table border="1"> <thead> <tr> <th>Milestone</th> <th>Date</th> </tr> </thead> <tbody> <tr> <td>Submission closing date for Consultation Paper</td> <td>Friday 25 August 2023</td> </tr> <tr> <td>Publication of Draft Report</td> <td>Wednesday 27 September 2023</td> </tr> <tr> <td>Submission closing date for Draft Report</td> <td>Wednesday 18 October 2023</td> </tr> <tr> <td>Publication of Final Report</td> <td>Monday 18 December 2023</td> </tr> <tr> <td>Fee structure commencement</td> <td>Monday 1 July 2024</td> </tr> </tbody> </table>		Milestone	Date	Submission closing date for Consultation Paper	Friday 25 August 2023	Publication of Draft Report	Wednesday 27 September 2023	Submission closing date for Draft Report	Wednesday 18 October 2023	Publication of Final Report	Monday 18 December 2023	Fee structure commencement	Monday 1 July 2024
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1.2 Consultation Scope

AEMO sought stakeholder views on the fee structures to apply from 1 July 2024 to gas Participant Fees, PCT Exchange Fees and Auction Fees and ECGS Reform Program Fees. This relates to fee structures applying to the following AEMO markets and services:

- 
- Declared Wholesale Gas Market (DWGM) ^{4,5}
 - Short Term Trading Market (STTM)
 - Retail markets (Vic, NSW/ACT, Qld, SA)
 - Gas Bulletin Board (GBB)
 - Gas Statement of Opportunities (GSOO)
 - Energy Consumers Australia (ECA) Fees
 - PCT fees:
 - Capacity trading platform (CTP)
 - Day-ahead auction (DAA)
 - Registration fee (CTP and DAA)
 - Operational Transportation Service (OTS) Code Panel.
 - ECGS Reform Program (Stage 1)

Note that fee structures for the following services are out of scope for this consultation:

- Gas Supply Hub (GSH)
- Western Australia Full Retail Contestability (FRC) Gas Market
- Western Australia Gas Services Information (GSI).

These fee structures are prescribed in their respective market rules.

⁴ AEMO is able to charge Capacity Certificate (CC) auction fees under Rule 328B(12), and separately collects the proceeds of capacity certificate auctions, both of which need to be considered against the cost of operating the auction, with any excess costs recovered against the DWGM if required. A change to this Rule is not within scope of AEMO's consultation.

⁵ Cost recovery for the costs of the Dandenong Liquefied Natural Gas (LNG) agreement and the costs/profits of utilising the LNG is covered by Rule 286B. Therefore, the fee structure for these costs/profits is not within scope of AEMO's consultation.

2 Background and Context

The current structure for the gas Participant Fees came into effect on 1 July 2021 and expires on 30 June 2024.⁶ As such, AEMO is required to review and publish, in consultation with Registered participants, interested parties and such other persons as AEMO thinks appropriate, the structure and term of participant fees to apply from 1 July 2024.⁷ AEMO must consult on the fee structure in accordance with the standard consultative procedure under the NGR⁸.

The current fee structure for PCT services came into effect on 1 July 2021 and will expire on 30 June 2024. This term was intended to align with the term of the gas Participant Fee structures. Fee structures for PCT were introduced in March 2019 and were necessary to support new services introduced in early 2019 resulting from gas pipeline capacity trading reform.⁹ These fees are recovered as Exchange Fees and Auction Fees under the NGR but are considered together with Participant Fees through this consultation given the similar consultation requirements and term expiry dates, and benefits of taking a holistic view of gas fees.

AEMO sought stakeholder views on these fee structures as they relate to AEMO's operation of wholesale and retail gas markets, other markets supporting the secondary trading of gas and pipeline capacity and the Gas Bulletin Board that provides up-to-date gas market and system information.

In addition to these markets and services, on 12 August 2022, Energy Ministers agreed to a range of actions to support a more secure, resilient and flexible east coast gas market, including the implementation of a reliability and supply adequacy framework that can be used to identify and respond to reliability and/or supply adequacy threats and better manage periods of volatility.¹⁰ This resulted in a material change to AEMO's roles and responsibilities across the east coast gas market, and was defined as a major gas project at the time of commencement of the National Gas (South Australia) (East Coast Gas System) Amendment Act 2023 (Amendment Act) in accordance with clause 135CB of the Rules. Therefore, a determination on an approach to recovering costs is allowed prior to the commencement of the next general determination of participant fees.

Given the timing of commencement of the Amendment Act in April 2023, and the commencement of consultation on the fee structures for Participant Fees, PCT Exchange Fees and Auction Fees, AEMO elected to combine the two consultations into one.

⁶ Determinations are set out for Participant Fees in AEMO's Final Report Structure of participant fees in AEMO's gas markets published 19 March 2021. Available on AEMO's website at: [AEMO | Gas Markets Participant Fee Structure Review](#)

⁷ S135CA(1) National Gas Rules

⁸ AEMO is consulting on the structure of auction fees and exchange fees in accordance with the standard consultative procedure for the purpose of consulting with auction participants and gas trading exchange members under clause 659 and clause 534 of the Rules.

⁹ Determinations are set out for PCT Fees in AEMO Final Report Gas Pipeline Capacity Trading and Day Ahead Auction 2019 Fee Structure (12 February 2019).

¹⁰ Energy Ministers, Priority reforms for a more secure, resilient and flexible east coast gas market, 12 August 2022.

2.1 NGR Requirements

2.1.1 Guiding principles for the gas markets fee structure

AEMO consults on its proposed fee structure for gas Participant Fees, PCT Exchange Fees and Auction Fees in accordance with the standard consultative procedure under clause 135CA(3) of the Rules¹¹, and under these Rules, AEMO has the power to recover fees from registered participants including auction participants and gas trading exchange members, as well as those participants covered under clause 135CA(4)(b)(ia) for the East Coast Gas System Reform Program.

In determining the structure of Participant Fees, PCT Exchange Fees and Auction Fees, and ECGS Reform Program Fees, AEMO must have regard to a range of matters, referred to as the Fee Structure Principles¹² as well as the National Gas Objective (NGO). These are set out in more detail in Appendix A1 with some examples of how these requirements may be applied to reviewing the gas fee structures.

Specifically, in determining the structure of participant fees NGR clause 135CA(4) requires that AEMO:

- Must have regard to the national gas objective; and
- Must have regard to the following principles:
 - the fee structure should be simple;
 - subject to subrule 4A¹³ the components of the fees charged to each Registered participant should be reflective of the extent to which the budgeted revenue requirements for AEMO involve that Registered participant;
 - Registered participant who is not required to be registered under the National Gas Law or these Rules, other than under Rule 713, should only be liable to pay participant fees for the purpose of recovering east coast gas system reliability costs and funding the trading fund under Part 27;
 - the fee structure should not discriminate unreasonably against a category or categories of Registered participants; and
 - must have regard to other fee structures that it thinks appropriate for comparison purposes.


The Rules do not expressly indicate that one or another of these Fee Structure Principles should have greater weight than the others. However, where it is not practicable for AEMO to satisfy all of the principles or satisfy them all to an equal degree, AEMO may adopt a structure which is not equally consistent with all the principles. Therefore, meeting the requirements established under the NGR typically requires a trade-off between principles. That is, an option to improve the fee structure against one principle may lessen the applicability of another principle.

For example, commonly competing principles are cost-reflectivity and simplicity. While cost-reflectivity in a fee structure could be improved through measures such as disaggregation of fees, markets or services, this would decrease the simplicity of the fee structure, and the systems to manage fees would become more complex.

¹¹ AEMO is consulting on the structure of auction fees and exchange fees in accordance with the standard consultative procedure for the purpose of consulting with auction participants and gas trading exchange members under clause 659 and clause 534 of the Rules.

¹² National Gas Rules Clause 135CA(4).

¹³ National Gas Rules Clause 135CA(4A) - The participant fees charged to a Registered participant may include a component for the recovery of capacity trading and auction costs or east coast gas system reliability costs even if those costs do not involve that Registered participant.



AEMO's objective through this review and consultation process is to strike a balance between competing Fee Structure Principles, through careful consideration of the principles and stakeholder feedback on how any fee structure changes impact various stakeholders.

It is also relevant to note that the participant fees:

- should be sufficient to cover AEMO's budgeted revenue requirements.
- charged to a Registered participant may include a component for the recovery of capacity trading and auction costs or east coast gas system reliability costs even if those costs do not involve that Registered participant.

2.1.2 Budget and Fee Structure

The operation of clause 135CA, dealing with the development of participant fee structures needs to be understood in the context of its surrounding provisions which deal with budgets and the payment of Participant fees:

- Under clause 135CF(1) of the NGR, AEMO is required to prepare and publish its budgeted revenue requirements.
- That budget must take into account and identify revenue requirements for the matters set out in clause 135CF(2) of the NGR.
- Some, but not all of these matters are referred to in the components of Participant fees specified in 135CC(1).
- However, AEMO may adopt 'components' of Participant fees which are different to or more than those set out in clause 135CC(1).
- Section 135CA(5) of the NGR provides that Participant fees should recover recurrent expenditure through principles prescribed under the NGR.
- Under section 135CE, AEMO may charge Registered Participants the relevant component of Participants fees in accordance with the structure of Participant fees.

Consequently, the scheme of clauses 135CA, 135CE and 135CF of the NGR is:

- To require AEMO to determine the structure of Participant fees according to certain rules;
- To require AEMO to determine AEMO's budgeted revenue requirements according to certain rules; and
- To empower AEMO to recover the budgeted revenue requirements through charging Registered Participants in accordance with the structure of Participant fees.

2.2 The ECGS Reform Program

The ECGS Reform Program is being developed in two stages¹⁴:

- Stage 1 focuses on those elements of the framework required to enable AEMO to monitor and communicate emerging threats to the reliability and/or adequacy of supply and to respond to any such threats by winter 2023, including last resort intervention powers if industry response is inadequate (such as by issuing directions or trading in natural gas, transportation and storage services); and

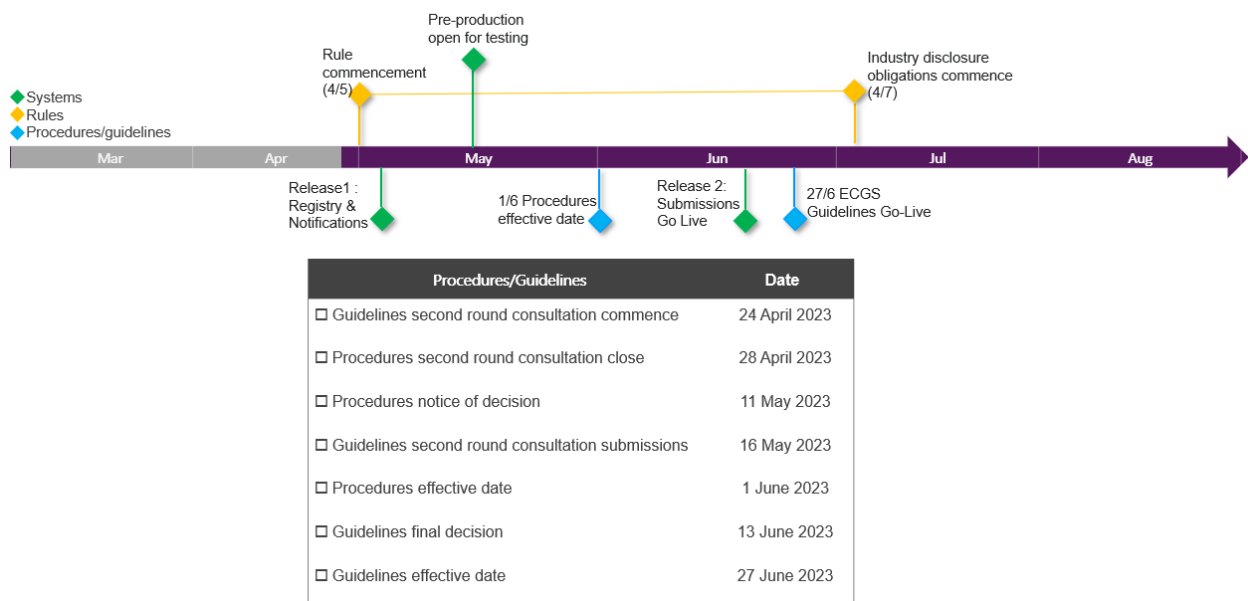
¹⁴ Ibid.

- Stage 2 focuses on those elements of the framework that are required to guide and frame how AEMO approaches its new functions and facilitate more efficient responses by market participants but can be implemented post 2023.¹⁵

On 28 October 2022, Energy Ministers agreed to amend the National Gas Law (NGL, Law) to extend AEMO’s functions and powers to manage reliability and gas supply adequacy in the east coast gas market.¹⁶ In February 2023, Energy Ministers also agreed to amend the NGR and National Gas Regulations to implement the Stage 1 reforms.¹⁷

The Stage 1 implementation timeline is shown below in Figure 1. Further details on Stage 1 and Stage 2 of the ESCG Reform Program were provided in AEMO’s [Consultation Paper](#) published on 4 August 2023.

Figure 1 – Implementation timeline



Program cost estimates and cash flows across FY2023 and FY2024 have been developed and are shown in Table 3 below. Capital costs include those associated with Stage 1 implementation activities only referred to above in Figure 1 and to be recovered through the ECGS Reform Program fee structure determined in this consultation. No additional capital costs are anticipated to be incurred from Stage 1.

Table 3 – Estimated ECGS Reform Program Stage 1 Program Costs

Cost component	\$
Total capital costs	\$2,000,000
Ongoing costs per annum¹⁸	\$1,500,000

¹⁵ At the time of publication of this Draft Report, consultation on Stage 2 of the ECGS Framework remains ongoing.

¹⁶ Energy Ministers, Meeting Communique. 28 October 2022.

¹⁷ Energy Ministers, Information paper: Extending AEMO’s functions and powers to manage east coast gas system reliability & supply adequacy. February 2023

¹⁸ Ongoing costs are assumed to commence from FY24 and relate to business and digital post go-live support for the Stage 1 reforms.



As Stage 1 has now been completed, Energy Senior Officials are currently consulting on measures for potential inclusion in Stage 2 of the framework, which will help guide how AEMO delivers its new functions. This consultation process remains open, and the outcomes were not within the scope of this fee consultation. Further information on the Stage 2 consultation is available [here](#).

3 Summary of key issues for Consultation

3.1 Summary of key consultation issues

The table below provides an overview of the key issues that were presented in the Draft Report for consultation. It also highlights stakeholder views on matters where feedback was provided.

Table 4 – Summary of consultation issues

Consultation Matter	Summary of key issues
1. Gas fee structure term	<ul style="list-style-type: none"> The existing term of the participant fee structures is three years. A three-year rolling period is also used to recover costs in each market. Setting a fee structure over a longer period, for example five years, provides certainty and predictability. This needs to be balanced against having the ability to change a fee structure if circumstances change. In its Draft Report AEMO proposed maintaining the three-year fee structure but removing the three-year rolling period as this focuses more on minimising the year-to-year variability of fees to participants, as well as the variability between fee determination periods, therefore being more consistent with the NGO. No stakeholder feedback was received on this matter.
2. Registration fees	<ul style="list-style-type: none"> In its Draft Report, AEMO presented the existing Registration fees which were based on analysis completed by AEMO of registration activities across the business for the existing fee term. The analysis also informed which registerable capacities will be calculated on a quoted basis. AEMO's draft fee structure proposed maintaining the existing Registration fees as the changes introduced for the current period were based on extensive analysis undertaken on AEMO's registration activities to understand the requirements for registrable capacities and there have not been any significant changes to these recently. No stakeholder feedback was received on this matter.
3. PCT fees – transportation services and recovery via other markets	<ul style="list-style-type: none"> Key changes were made as part of the last fee structure consultation for the existing PCT fees including: <ul style="list-style-type: none"> Disaggregation of the fees for transportation services traded on the CTP and DAA into compression service fees and other transportation service fees; and Introduction of a 'deficit safety net' with a threshold of \$900,000, and the right for AEMO to recover any amount exceeding this threshold from DWGM and STTM wholesale market participants. In its Draft Report AEMO proposed to maintain the existing structure. No stakeholder feedback was received on this matter.
4. GSOO fees	<ul style="list-style-type: none"> The existing structure for the GSOO fees allocates 30% of fees to producers on a \$/GJ produced basis and 70% to retailers on a \$/supply point basis. This was determined for the final fee structure for the existing period as it more proportionally disseminates costs across registered participants, and potentially down supply chains, whilst also taking into account the reflective of involvement principle. Additionally, LNG import facilities were included in the producer portion of the fee on the basis of the entry of this gas into the domestic gas market. AEMO's Draft Report proposed to maintain the existing structure as the reflective of involvement principle was heavily considered to determine the allocation to producers. This analysis resulted in a reduction in the cost allocation to producers, which was 50% in the previous consultation to 30% as the final allocation.

Consultation Matter	Summary of key issues
	<ul style="list-style-type: none"> • APLNG commented that the existing structure does not capture all end-use consumers and that further consultation with participants should be conducted so that there is no discrimination between end-users. This is discussed further below.
5. Retail market fees – aggregation	<ul style="list-style-type: none"> • AEMO’s existing structure maintains separate fees for its retail gas markets that allow licensed retailers to sell natural gas to residential and business customers in New South Wales, the Australian Capital Territory, Queensland, South Australia and Victoria. • AEMO proposed to maintain the existing structure in its Draft Report for the next fee period as the procedures, systems and internal processes for each jurisdiction are different and therefore any improvements of applying a single charge across all jurisdictions would be unsubstantial and would be offset by being less reflective of involvement. • No stakeholder feedback was provided on this matter.
6. GBB fees	<ul style="list-style-type: none"> • AEMO’s existing GBB fee structure allocates 50% of costs to producers on a \$/GJ produced basis and 50% to wholesale gas market participants on a \$/GJ withdrawn basis. • In its Draft Report, AEMO proposed to maintain the existing structure as it captures a broad base of participants and reflects an objective, equitable and unbiased weighting to support the principles. That is, costs are recovered from all producers of gas regardless of its end use. • APLNG resubmitted that the cost allocation to producers should be the same as the GSOO fee structure as their scope, function and beneficiaries are the same. This is discussed further below.
7. Participant fee structure for the ECGS Reform Program (Stage 1) fee	<ul style="list-style-type: none"> • AEMO’s exercise or performance of its east coast gas system reliability and supply adequacy function was defined as a major gas project at the time of commencement of the Amendment Act, in accordance with clause 135CB of the Rules. When a Participant fee structure is developed under Part 15A Division 3 of the NGR, the structure of the Participant fee to be used in the recovery of costs, the Registered Participants that will be charged the fee, the start date for recovery and the period or periods over which recovery will occur must be determined. • AEMO presented three options in its Draft Report for stakeholder feedback: <ol style="list-style-type: none"> 1. A separate fee as per the existing GBB fee structure. 2. A separate fee that levies costs on a withdrawal/consumption basis from BB shippers only, on an annual/quarterly basis. 3. A separate fee consistent with the existing GSOO fee structure. • AEMO proposed Option 3 as the draft fee structure for the ECGS Reform Program fee as assessment against the fee structure principles resulted in greater alignment with the simplicity, non-discriminatory and cost reflectivity principles in comparison to the other two options presented. • AEMO also proposed for recovery to commence from 1 July 2024 for a period of two years (capital costs) as Stage 1 implementation has completed, and costs are not significant. The two-year recovery period will also provide better transparency to stakeholders on the delineation and recovery of Stage 2 costs once its implementation approach and costs have been finalised. • Three stakeholders provided feedback on this matter – AGL supported Option 1, APLNG preferred Option 3, and Origin noted that in adopting Option 3, AEMO should ensure the cost allocation of the ECGS Reform Program fee better satisfies the cost reflectivity principle than Option 1. • No stakeholders provided feedback on the cost recovery commencement date or period of recovery.

3.2 Stakeholder feedback on key consultation issues

The following section provides more detail on the consultation matters that received stakeholder feedback. Appendix A2 provides AEMO's responses in full to stakeholder submissions.

3.2.1 GSOO fee structure

The current structure recovers GSOO fees on the following basis:

- 30% from producers on a \$ / GJ produced basis (including any LNG imports in the future); and
- 70% from retailers on a \$ / supply point basis.

APLNG's feedback outlined that the current GSOO fee structure does not capture all end-use consumers. It also suggested that more can be done to strike a balance to keep the fee structure in line with the guiding principles, including suggesting further consultation with participants to determine an equitable allocation of costs that does not unfairly discriminate between end users.

AEMO highlighted in its Draft Report, there are challenges in having regard to the *cost reflectivity* principle in particular, when aligning a fee structure for the GSOO against the other fee structure principles. Additionally, during the current fee determination's consultation period, analysis was undertaken on the *cost reflectivity* principle which found that while it is inherently difficult to assign a value, directly recovering 30% costs from producers, who are contributors to, and beneficiaries of the GSOO would align most consistently with the involvement principle and NGO for the following reasons:

- The level of interaction, and based on inputs required for the GSOO from producers, may be around 30-40%.
- The benefits derived from the GSOO warrants a 30% allocation (approximately) based on assessment against the benefits to other registered participants.
- A broader range of consumers and other participants would be captured as costs allocated to producers would ultimately be passed through to consumers down various gas supply chains.

As outlined in section 2.1.1, when assessing fee structure options against the fee structure principles there is likely to be some trade-offs between the principles. As such, AEMO remains of the view that the existing structure best balances the principles of *cost reflectivity* and *simplicity* as it allocates costs to retailers, thereby capturing most end-use consumers¹⁹, while also utilising readily accessible data available to AEMO to calculate the fee. Attempting to capture all end-use consumers will compromise the *simplicity* principle as all data is not readily available to AEMO and will make the charging process complex for both AEMO and participants.


3.2.2 GBB fee structure

The current structure recovers the Gas Bulletin Board fees on the following basis:

- 50% from producers on a \$ / GJ produced basis; and
- 50% from wholesale gas market participants on a \$ / GJ withdrawn basis.

APLNG resubmitted that the GBB fee should be allocated to a broader range of market participants with producers allocated no more than 30% of costs which would also align with the existing GSOO fee structure and

¹⁹ AEMO notes that Tasmania and Northern Territory end-users are not part of AEMO's retail markets.



AEMO's proposal for the ECGS reforms, aligning better with the NGO, and the comparability and cost reflectivity principles. Additionally, APLNG commented that the function, scope and beneficiaries of the GBB are similar to the GSOO, therefore the same approach should be adopted.

While there is some interdependency between the GBB and GSOO (e.g., information for the GBB is used as an input for the GSOO), the GBB provides up-to-date gas flow information for BB users to understand market dynamics, while the GSOO provides a 20-year outlook of supply and demand reporting on the adequacy of the gas markets. As a result, there are differences in those that are involved or interact in the GBB (e.g., short-term operational decision making) to those involved or interact with the GSOO (e.g., long-term planning) and the same cost recovery approach for both cannot be assumed.

AEMO's assessment of the current GBB fee structure against the fee structure principles for its 2021 Final Determination resulted in the most appropriate cost recovery approach that reflects an objective, equitable and unbiased weighting to support the principles. Further, since that time, additional information requirements have been introduced to improve transparency in the gas market and therefore a change to the allocations is not warranted at this stage.

3.2.3 ECGS Reform Program (Stage 1) fee structure

AEMO's Draft Report presented three options for stakeholder feedback for a fee structure to recover costs from the ECGS Reform Program (Stage 1):


1. A separate fee as per the current GBB fee structure, i.e., 50% from producers on a \$ / GJ produced basis and 50% from wholesale gas market participants on a \$ / GJ withdrawn basis.
2. A separate fee that levies costs on a withdrawal / consumption basis from BB shippers only on an annual / quarterly basis.
3. A separate fee consistent with the existing GSOO fee structure, i.e., 30% from producers on a \$ / GJ produced basis and 70% from retailers on a \$ / supply point basis.

Stakeholder feedback received included:

- AGL supporting Option 1 as it is a simple approach adopting an existing structure where allocation of 50% to producers is fair as the program relates to the integrity of the market which is to the benefit of all participants.
- APLNG preferring Option 3 (over Option 1) as the cost allocation approach more closely recognises consumers as the ultimate users and beneficiaries of the ECGS reforms.
- Origin noted that in adopting Option 3, AEMO should ensure the cost allocation of the ECGS Reform Program fee better satisfies the cost reflectivity principle than Option 1.

Following stakeholder feedback and reviewing the assessment presented in the Draft Report of all three options against the fee structure principles and NGO, AEMO maintains that Option 3 aligns most consistently with the fee structure principles and NGO for the following reasons:

- The cost recovery approach from producers and retailers aligns with the *simplicity* principle more than recovery from BB shippers (Option 2).
 - Does not rely on additional data being obtained from pipeline operators for data/information that AEMO does not have access to and therefore does not require procedural or system changes for participants and AEMO from an information perspective.

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- The approach *does not unreasonably discriminate* against participants as the approach recovers costs from a broad range of participants which provides for all end-use consumers to be captured.
 - Recovering costs from producers and retailers ensures those who are involved in the ECGS Reform Program are charged.
 - The approach satisfies the *cost reflectivity* principle more than Option 1.
 - The ECGS Reform Program involves all consumers of gas across the east coast gas system rather than only those markets that the GBB fee structure considers (for which Part 19 and Part 20 already have functions built into them to deal with gas shortfalls)

A separate fee structure similar to the existing GSOO fee that recovers 30% of costs from producers on a \$ / GJ produced basis and 70% from retailers on a \$ / supply point basis ensures costs for the reforms are recovered from a broad participant base, including those close to the end-use consumer.

Additionally, as proposed in the Draft Report, the recovery of capital costs for Stage 1 of the ECGS Reform Program would commence from 1 July 2024 for a period of two years.²⁰ Stakeholder feedback was not received on this aspect of the fee structure.

²⁰ Ongoing operating costs for Stage 1 of the ECGS Reform Program would be recovered over three years as per the other gas participant fees.

4 Final determinations

Informed by stakeholder feedback and AEMO's assessment which had regard to the fee structure principles and the NGO, AEMO has determined the final fee structures shown in Table 5 to apply to gas Participant Fees, PCT Exchange Fees and Auction Fees, and the ECGS Reform Program fees from 1 July 2024.

The fee structure term to be applied to gas Participant Fees, PCT Exchange Fees and Auction Fees and the operating costs for Stage 1 of the ECGS Reform Program fee is a three-year period, while capital costs for the ECGS Reform Program fee are to be recovered over a two-year period. There will be no rolling periods applied to any fee structure terms for this next fee determination cycle.

Table 5 – Final fee structures to apply from 1 July 2024

	Final liable registered participants	Final Fee structure
DWGM		
Energy Tariff	Each Market Participant withdrawing gas from the Declared Transmission System.	\$ / GJ withdrawn
Distribution Meter Fee	Each Market Participant connected to a Declared Distribution System, or whose customers are connected to a Declared Distribution System, at a connection point at which there is an interval metering installation.	\$ / connection point with interval metering installation / day
Participant Compensation Fund (PCF)	Each Market Participant withdrawing gas from the Declared Transmission System.	\$ / GJ withdrawn
Initial registration fee	Each new DWGM market registered participant.	\$ / registration / registrable capacity
STTM		
Activity Fee	Each STTM Shipper and STTM User withdrawing gas at any hub.	\$ / GJ withdrawn
PCF	Each STTM Shipper and STTM User withdrawing gas at any hub.	\$ / GJ withdrawn / hub
Initial registration fee	Each new STTM market registered participant.	\$ / registration / registrable capacity
Retail		
Vic Gas Tariff	Each Victorian retail gas market participant participating in the registrable capacity of market participant – retailer.	\$ / customer supply point
Vic Gas initial registration fee	Each new Victorian retail gas market participant registering in the capacity of market participant – retailer or market participant – other.	\$ / registration / registrable capacity
Qld, SA, NSW & ACT Gas Tariff	Each retail gas market participant participating in the registrable capacity of retailer.	\$ / customer supply point (by jurisdiction)
Qld, SA, NSW & ACT Gas initial registration fee	Each new retail gas market participant registering in the registrable capacity of retailer or self-contracting user.	\$ / registration / registrable capacity
GSOO		

	Final liable registered participants	Final Fee structure
Producer fee	Each BB facility operator registered as the BB reporting entity for a BB production facility.	\$ / GJ produced (to allocate 30% of GSOO costs)
Retailer fee	Each retail gas market participant participating in the registrable capacity of market participant – retailer in Vic or retailer in NSW/ACT, Qld and SA.	\$ / customer supply point (to allocate 70% of GSOO costs)
GBB²¹		
Producer fee	Each BB facility operator registered as the BB reporting entity for a BB production facility.	\$ / GJ produced (to allocate 50% of GBB costs)
Wholesale gas markets participant fee	Each Market Participant withdrawing gas in the DWGM or each STTM Shipper or STTM User withdrawing gas at any hub.	\$ / GJ withdrawn (to allocate 50% of GBB costs)
ECA		
Energy Consumers Australia (ECA) On-Charge	Each retail gas market participant participating in the registrable capacity of market participant – retailer in Victoria or retailer in NSW/ACT, Qld and SA.	\$ / customer supply point
PCT		
CTP other transportation fee	Each trading participant - buyer and seller.	\$ / GJ of traded transportation service (excluding compression service)
CTP compression fee	Each trading participant - buyer and seller.	\$ / GJ of traded compression service
CTP licence fee	Each trading participant - buyer and seller.	\$ / licence / annum
DAA other transportation fee	Each auction participant.	\$ / GJ of auction service (excluding compression auction service)
DAA compression fee	Each auction participant.	\$ / GJ of compression auction service
Registration fee	Each new participant, including: <ul style="list-style-type: none"> • Part 24 Facility operators; and • Day ahead - Auction participants. 	\$ / registration / registrable capacity
OTS Code Panel	Each trading participant.	\$ / GJ on CTP and DAA trades
ECGS Reform Program (Stage 1)		
Producer fee	Each BB facility operator registered as the BB reporting entity for a BB production facility.	\$ / GJ produced (to allocate 30% of ECGS costs)
Retailer fee	Each retail gas market participant participating in the registrable capacity of market participant – retailer in Vic or retailer in NSW/ACT, Qld and SA.	\$ / customer supply point (to allocate 70% of ECGS costs)

²¹ AEMO notes that GBB registration fees for the Bulletin Board (BB) participants have not been included in the table as per previous Gas Participant fee structure consultations. AEMO determined that these fees should not apply to BB participants due to the mandatory nature of providing information to the GBB, with an expanded set of participants required to provide information introduced through the [National Gas Amendment \(Market Transparency\) Rule 2022](#) made on 30 June 2022. This Rule was implemented on 15 March 2023.

A1. Fee structure principles

Fee Structure Principle	Requirement	Application and examples
National Gas Objective (NGO)	<p>In determining Participant fees, AEMO must have regard to the national electricity objective.</p> <p>The objective of the NEL is to promote efficient investment in, and efficient operation and use of, electricity services for the long term interests of consumers of electricity with respect to—</p> <p>(a) price, quality, safety, reliability and security of supply of electricity; and</p> <p>(b) the reliability, safety and security of the national electricity system</p>	<p>...“to promote efficient investment in, and efficient operation and use of, natural gas services for the long-term interests of consumers of natural gas with respect to price, quality, safety, reliability and security of supply of natural gas.”</p> <p>The First Reading Speech to the NATIONAL GAS (SOUTH AUSTRALIA) BILL 2008 makes it clear that the NGO is an economic concept and should be interpreted as such.</p> <p><i>“The long term interest of consumers of gas requires the economic welfare of consumers, over the long term, to be maximised. If gas markets and access to pipeline services are efficient in an economic sense, the long term economic interests of consumers in respect of price, quality, reliability, safety and security of natural gas services will be maximised. By the promotion of an economic efficiency objective in access to pipeline services, competition will be promoted in upstream and downstream markets.”</i></p> <p>The Speech goes on to state that:</p> <p><i>“The long term interest of consumers of gas requires the economic welfare of consumers, over the long term, to be maximised. If gas markets and access to pipeline services are efficient in an economic sense, the long term economic interests of consumers in respect of price, quality, reliability, safety and security of natural gas services will be maximised. By the promotion of an economic efficiency objective in access to pipeline services, competition will be promoted in upstream and downstream markets.”</i></p> <p>The NGO is clearly a relevant consideration where AEMO has to exercise judgment or discretion in reaching its determination, for example, if there is a number of Participant fee structures each of which can satisfy the Fee Structure principles, or where the relevant provisions of the Rules are ambiguous.”</p>
Simplicity	<p>The structure of Participant fees should be simple</p>	<p>As “simple” is not defined in the Rules, it must be given its ordinary meaning as understood in the context of clause 135CA of the Rules. The New Shorter Oxford English Dictionary’s definition of “simple” (in this context) is: “not complicated or elaborate” and “plain, unadorned”. Whether a fee structure fits these definitions is largely a matter of judgement.</p> <p>There is a wide range of possible fee structures. There is no single identifiable point where “simple” becomes “complicated”.</p> <p>It is clear from this provision that a certain degree of complexity was envisaged in that the structure of Participant fees may involve several components and budgeted revenue consists of several elements. The structure of Participant fees need not demonstrate absolute simplicity.</p> <p>The simplest fee structures are unlikely to be consistent with the other criteria. However, it is possible to find fee structures that, while consistent with the other criteria, are relatively simple, in comparison to alternative structures.</p> <p>Further, AEMO considers that the use of the word “simple” in this context also involves a degree of transparency. AEMO considers that the simplicity principle means that the basis of the fee structure and its application to various Registered participants should be:</p> <ul style="list-style-type: none"> • straight-forward • easily understood by participants • readily applied by Registered participants and AEMO • foreseeable and forecastable in terms of impacts and costs.
Cost reflectivity	<p>The components of the fees charged to each Registered participant should be reflective of the extent to which the budgeted</p>	<p>Note that rule 135CA(4A) provides that the participant fees charged to a Registered participant (including a relevant entity) may include a component</p>

Fee Structure Principle	Requirement	Application and examples
	<p>revenue requirements for AEMO involve that Registered participant.²²</p>	<p>for the recovery of capacity trading and auction costs or east coast gas system reliability costs even if those costs do not involve that Registered participant.</p> <p>A 'relevant entity' under Part 27 should only be liable to pay participant fees for the purpose of recovering east coast gas system reliability costs and funding the trading fund under Part 27.</p> <p>In determining whether the extent to which the budgeted revenue requirement relating to a particular output involves a class of Registered Participant, AEMO relies on the experience and expertise of its general managers and staff, and considers factors such as the degree to which the class of Registered Participant:</p> <ul style="list-style-type: none"> • interacts with AEMO in relation to the output; • uses the output; • receives the output; and • benefits from the output. <p>AEMO also considers the how the revenue requirements have given rise to, or are caused by, that class of Registered Participant's presence in the market.</p> <p>AEMO must determine the structure of Participant fees "afresh".</p> <p>That is, it must freshly consider the application of the criteria in clause 135CA of the Rules and the NGL to the facts and analysis available to it at this time. In doing so, however, AEMO will have regard to its previous determinations under clause 135CA of the Rules, where appropriate.</p> <p>The principle of "reflective of extent of involvement" does not have a specialised meaning in economics. It is consistent with the economic notion of 'user pays' but as a matter of ordinary language, it indicates a degree of correspondence (between AEMO and its costs and participants) without connoting identity.</p> <p>However, this principle does not involve a precise degree of correspondence.</p> <p>Where fixed and common costs are involved, multiple registered participants may be involved with AEMO costs in relevantly similar ways.</p> <p>AEMO's analysis and experience shows that there are categories or classes of Registered Participants that share certain characteristics that mean that the way in which they interact with AEMO is likely to have the same or similar cost implications for AEMO.</p> <p>Where it is practical for AEMO to identify costs that are fixed or common in nature that can reasonably be allocated to a class or classes of Participants that share characteristics such that their involvement with AEMO's outputs is likely to have the same or similar cost implications, AEMO will seek to do so.</p>
<p>Non-discriminatory</p>	<p>The fee structure should not discriminate unreasonably against a category or categories of Registered participants.</p>	<p>In past Participant Fee determinations, AEMO adopted the following definition of discriminate:</p> <p><i>"Discriminate means to treat people or categories of people differently or unequally. Discriminate also means to treat people, who are different in a material manner, in the same or identical fashion. Further, "discriminate against" has a legal meaning which is to accord "different treatment ... to persons or things by reference to considerations which are irrelevant to the object to be attained".</i></p> <p>This principle allows AEMO to discriminate against a category or categories of Registered participants where to do so would be reasonable.</p> <p>Where a degree of discrimination between categories of Registered Participants is necessary or appropriate to achieve consistency with the other principles in clause 135CA of the Rules, or the NGL, the discrimination will not be "unreasonable".</p>

²² Subject to subrule 135CA(4A)

Fee Structure Principle	Requirement	Application and examples
		<p>In considering a past electricity fee structure determination, the Dispute Resolution Panel accepted that this principle is to be applied to the extent practicable and it is only unreasonable discrimination that offends.</p> <p>Note that although the decision related to Clause 2.11.1(b)(4) of the Electricity Code, clause 135CA of the Rules is substantially the same as the equivalent clause in the Electricity Code.</p>
Comparability	<p>In developing, reviewing and publishing, the structure of Participant fees, AEMO must have regard to other fee structures that AEMO thinks appropriate for comparison purposes.</p> <p>Note that this is not strictly a principle but is included for completeness in describing the matters for which AEMO must have regard.</p>	<p>Note that this is not strictly a principle but is included for completeness in describing the matters for which AEMO must have regard.</p> <p>Other relevant fee structures could include:</p> <ul style="list-style-type: none"> • National Electricity Market (NEM) fee structures for comparable markets or services • Other gas market fee structures such as Western Australia markets or globally • Other gas markets also the subject of this consultation process.

A2. Summary of submissions and AEMO responses

Consulted person	Key points	AEMO response
1. AGL	<p>a) Supports Option 1 as the fee structure for the ECGS Reform Program.</p> <ul style="list-style-type: none"> - Simple approach adopting an existing structure is appropriate given magnitude of the fees for Stage 1 and are likely to be less for Stage 2. - Allocation of 50% to producers is fair as the program relates to the integrity of the market which is to the benefit of all participants. - Do not support Option 2 – unnecessarily complex and also deficient in that it does not allocate any fees to producers. - Do not support Option 3 – recovery on a \$ / supply point basis will not lead to an allocation that is adequately reflective of involvement as the volume at each supply point varies and allocation of only 30% to producers is no reflective of their involvement and influence of the ECGS Reform Program’s fees. 	<p>AEMO acknowledges AGL’s preference to establish a separate fee for the ECGS Reform Program utilising the existing GBB fee structure. However, AEMO’s assessment on the three options presented in its Draft Report resulted in Option 3 aligning with the NGO and fee structure principles more than Option 1, in particular, the cost reflectivity and non-discriminatory fee structure principles. The objective and function of the ECGS Reform Program is broader than the objective of the GBB function and therefore recovery of costs from a broader participant base more accurately reflects the reform program’s function.</p> <p>AEMO notes the inability to access the data required to support a fee structure that charges on a ‘withdrawn / consumption’ basis limits Option 2 as a viable choice. Option 3, while charging on a \$ / supply point basis, still seeks to recover the costs from most end-users via the retailers for whom the ECGS Reform Program seeks to benefit. This differs to Option 1, where costs are recovered from only a subset of all end-users through the wholesale gas market participants.</p> <p>AEMO agrees that Option 2 would create additional complexity and has not proposed this option as its final fee structure for the ECGS Reform Program.</p>
2. APLNG	<p>a) There is merit in adopting Option 3 over the other two options, even though this option trades the cost reflectivity principle of Option 2 for the simplicity of implementation.</p> <p>Option 3 is a more appropriate cost assignment methodology than Option 1 as it more closely recognises consumers as the ultimate users and beneficiaries of the ECGS reforms.</p>	<p>AEMO agrees with APLNG’s comments regarding the preferred Option 3 for the ECGS Reform Program fee in comparison to the other two options presented in the Draft Report.</p> <p>AEMO’s rationale for proposing this has been outlined in section 3.2.3 of this Final Report.</p>

Consulted person	Key points	AEMO response
	<p>b) Does not consider the current GSOO fee structure captures all end-use consumers.</p> <p>Suggests that more can be done to strike a balance between AEMO's concerns and keeping the fee structure in line with the guiding principles. This includes further consultation with participants to determine an equitable allocation of costs that does not unfairly discriminate between end users.</p>	<p>AEMO acknowledges APLNG's comments.</p> <p>As outlined in section 2.1.1 of the Final Report, when determining a fee structure under the NGR, AEMO must have regard to the NGO <i>and</i> fee structure principles. While the NGR does not expressly indicate that one or another of the fee structure principles should have greater weight than the others, often meeting requirements under the NGO and NGR will mean a trade-off between principles is likely to occur.</p> <p>AEMO is of the view that the existing GSOO fee structure best balances the principles of <i>cost reflectivity</i> and <i>simplicity</i> as it allocates costs to retailers and therefore captures most end-use consumers, while also utilising readily accessible data available to AEMO to calculate the fee. Attempting to capture all end-use consumers will compromise the <i>simplicity</i> principle as all data is not readily available to AEMO and will make the charging process complex for both AEMO and participants.</p> <p>Additionally, AEMO maintains its position in the Draft Report which noted that allocation to wholesale gas market participants would result in geographical discrimination between retail customers as this allocation limits fees to only those in the market.</p> <p>As such, AEMO does not believe a change to the cost allocation of the GSOO fee is warranted at this stage. AEMO will continue to monitor the GSOO function ahead of the next gas fee structure review and determine at that point if further consultation with participants on the allocation of costs is required.</p>

Consulted person	Key points	AEMO response
	<p>c) Resubmits that the GBB fee should be allocated to a broader range of market participants with producers allocated no more than 30% of costs.</p> <ul style="list-style-type: none"> - This would also align with the existing GSOO fee structure and AEMO's proposal for the ECGS reforms, aligning better with the NGO, and the comparability and cost reflectivity principles. - The function, scope and beneficiaries of the GBB are similar to the GSOO, therefore the same approach should be adopted. 	<p>AEMO acknowledges APLNG's proposal.</p> <p>As outlined in section 3.2.2 of the Final Report, and similarly to the GSOO fee, AEMO does not believe a change to the cost allocation of the GBB fee is warranted at this stage as additional information requirements have been introduced to improve transparency in the gas market since AEMO's Final Determination for the 2021 Fee structure.</p> <p>While there is some interdependency between the GBB and GSOO (e.g., information for the GBB is used as an input for the GSOO), the GBB provides up-to-date gas flow information for BB users to understand market dynamics, while the GSOO provides a 20-year outlook of supply and demand reporting on the adequacy of the gas markets. As a result, there are differences in those that are involved or interact in the GBB (e.g., short-term operational decision making) to those involved or interact with the GSOO (e.g., long-term planning) and the same cost recovery approach for both cannot be assumed.</p> <p>AEMO will continue to monitor the GBB function and the level of involvement / interaction of participants for the next gas fee structure review.</p>
<p>3. Origin Energy</p>	<p>a) Generally supportive of the fee structures proposed by AEMO.</p> <ul style="list-style-type: none"> - AEMO should ensure the cost allocation of Option 3 for the ECGS Reform Program fee better satisfies the reflective of involvement principle relative to the GBB approach. 	<p>AEMO acknowledges Origin's feedback.</p> <p>As outlined in section 3.2.3 of the Final Report, AEMO's assessment of the <i>cost reflectivity</i> principle between Options 1 and 3 is better satisfied by Option 3. This is because it allocates costs to producers who are involved in the revenue requirements of the ECGS Stage 1 reforms and most end-users for whom the ECGS Reform Program seeks to benefit, via the retailers. Although the GBB structure allocates costs to producers, it only allocates costs to a subset of all end-users through the wholesale gas market participants.</p>

A3. Registered participants

Below is a summary of existing registered participants in each of AEMO's gas markets and functions.

Market	Registered participants
DWGM	<p>Market participant</p> <ul style="list-style-type: none"> • Retailer • Trader • Producer • Storage provider • Distribution customer • Transmission customer <p>Other participant roles</p> <ul style="list-style-type: none"> • Declared transmission system service provider (DTSSP) • Interconnected transmission pipeline services provider (ITPSP) • Distributor • Producer • Storage provider • Transmission customer
STTM	<p>STTM market participants</p> <ul style="list-style-type: none"> • STTM Shippers • STTM user
Retail	<p>NSW / ACT</p> <ul style="list-style-type: none"> • Network operator • Retailer • Self contracting user <p>QLD</p> <ul style="list-style-type: none"> • Distributor • Retailer • Self contracting user <p>SA</p> <ul style="list-style-type: none"> • Network operator • network operator (Mildura region) • Retailer • Self contracting user • Transmission system operator • Shipper <p>VIC</p> <ul style="list-style-type: none"> • Transmission system service provider • Distributor • Market participant - retailer • Market participant – other

Market	Registered participants
GBB	BB participants <ul style="list-style-type: none"> • BB reporting agent • BB reporting entity • BB shipper • Production facility • Transmission pipeline • Storage facility
PCT	<ul style="list-style-type: none"> • Trading participants • Part 24 Facility Operator • Part 25 Day ahead auction – Auction Participant
ECGS	<ul style="list-style-type: none"> • a Registered participant • an exempted participant • a producer who injects natural gas into the east coast gas system • a person who buys or sells natural gas in the east coast gas system • a gas powered generator • a storage provider whose storage facility is connected to the east coast gas system • a person who provides pipeline, transport, compression or other related services in, into or out of the east coast gas system