



Western Australia Gas Services Information 2021-22 AEMO Final Budget and Fees

June 2021

Executive summary

This document sets out the Western Australia Gas Services Information budget and fees for 2021-22. AEMO operates the GSI to provide a Gas Bulletin Board and WA Gas Statement of Opportunities to provide information on WA gas transmission, storage and demand.

AEMO operates on a cost recovery basis as a company limited by guarantee under the Corporations Act (2001). AEMO recovers all operating costs through fees paid by participants.

In 2021-22 operating expenditure is marginally lower, reflecting only minor changes in expenditure levels of various cost factors. The GSI recovery is to increase to \$1.752 in 2021-22 from \$1.115m in 2020-21, as the 2020-21 Revenue Requirement included a return of surplus funds of \$0.7m from previous year.

AEMO is actively seeking to improve the transparency and rigour of its budget fees across all our functions and jurisdictions. This year, AEMO initiated early engagement with and sought feedback from a representative group of stakeholders on AEMO's draft budget and fees and capital projects alongside market consultation processes. Feedback from participants informed AEMO's final budget adoption. AEMO intends to continue and refine this approach in future years.

For the GSI specifically, AEMO is required to submit its allowable revenue and forecast capital expenditure to the WA Economic Regulation Authority (ERA) every three years.

AEMO's annual budget sets out the amounts that will be charged under the GSI rules, 114. This report provides a view of the final WA GSI revenue and expenses for 2021-22.

1.1 Summary of Fees

Table 1 Summary of revenue requirement

Revenue Requirement (\$m)	Budget 2020-21	Budget 2021-22	Variance (\$m)	Variance %
AEMO GSI revenue requirement	1.11	1.75	0.6	57.2%
ERA revenue requirement	0.17	0.08	-0.09	-54.8%
EPWA revenue requirement	N/A	0.16		

1.2 Contact for inquiries

AEMO contact for inquiries

For all queries on budget and fees, please contact budgetandfees@aemo.com.au

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2. Western Australia (WA) GSI

2.1 Fees

Purpose of this function	<p>The GSI function includes the GBB (WA) and WA GSOO. The objectives of the GBB (WA) and WA GSOO is to ensure:</p> <ul style="list-style-type: none"> • Security, reliability and availability of the supply of natural gas. • Efficient operation and use of natural gas services. • Efficient investment in natural gas services. • Facilitation of competition in the use of natural gas services. <p>Similar to the GBB on the East Coast, the WA GBB is an information website hub to provide flow information on gas transmission, storage, emergency management with supply disruptions, and demand in WA.</p> <p>The WA GSOO is an annual planning document providing medium to long term outlook of gas supply and demand in WA, transmission and storage capacity.</p>
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Revenue Requirement and Fees	<p>The GSI recovery is to increase to \$1.752 in 2021-22 from \$1.115m in 2020-21, as the 2020-21 Revenue Requirement included a return of surplus funds of \$0.7m which isn't applicable in 2021-22. Excluding the surplus return there is a slight decline in the budgeted revenue requirement.</p>
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Other notes	<p>The current three-year ERA determination on AEMO's allowable revenue and capital expenditure covers the period from 1 July 2019 to 30 June 2022.</p> <p>AEMO has enhanced its engagement and transparency on its fees in 2020-21.</p>
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Table 2 Projected GSI fees

Revenue Requirement	Budget 2020-21	Budget 2021-22	Variance (\$m)	Variance %
AEMO GSI revenue requirement (\$m)	1.11	1.75	0.6	57.2%

2.2 Revenue and Expenditure

Table 3 Profit and Loss statement 2021-22

	Budget 2020-21	Budget 2021-22	Variance	
	\$'000	\$'000	\$'000	%
Fees and tariffs	1,115	1,752	638	57%
Other Revenue	0	0	0	0%
Total Revenue	1,115	1,752	638	57%
Labour and Contractors	1,012	1,148	135	13%
Consulting	240	194	(45)	-19%
Fees - Agency, Licence & Audit	41	27	(14)	-35%
IT & Telecommunication	131	80	(50)	-39%
Occupancy	97	95	(3)	-3%
Other Expenses	165	145	(20)	-12%
Depreciation & Amortisation	124	101	(23)	-19%
Total Expenditure	1,810	1,790	(20)	-1%
Surplus/(Deficit)	(695)	(37)	658	
Brought Forward Surplus/(Deficit)	695	37	(658)	
Accumulated Surplus/(Deficit)	0	(0)	(0)	

3. Economic Regulation Authority (ERA)

Purpose of this function	To undertake economic regulation and price setting, licencing and compliance monitoring for the Western Australian Electricity and Gas markets.
Revenue Requirement	AEMO is required to recover the funding for the ERA from WEM market customers and generators and gas shippers (i.e. pass through recovery). Total expenditure budgeted by the ERA for the GSI function in 2021-22 is \$75k (-55% increase) (2020-21: \$166k).
Other notes	For any questions on the ERA budget in 2021-22, contact Pam Herbener, Director, Corporate Services at pam.herbener@erawa.com.au

Table 4 ERA revenue requirements

ERA revenue requirement	Actual 2020-21	Budget 2021-22
GSI (\$'000)	166	75 -55%

4. Energy Policy WA (EPWA)

Purpose of this function	To undertake policy, market development, strategic planning and overall coordination for the Western Australian Electricity and Gas Markets.
Revenue Requirement	AEMO is required to recover the funding for the EPWA from WEM market customers and generators and gas shippers (i.e. pass through recovery), commencing from 1 July 2021. Total WEM revenue requirement budgeted from the EPWA in 2021-22 is \$160k.
Other notes	For any questions on the EPWA budget in 2021-22, contact Nerea Ugarte, Director, Business Support Services at nerea.ugarte@energy.wa.gov.au

Table 5 EPWA revenue requirements

EPWA revenue requirement	Budget 2021-22
GSI Coordinator (\$'000)	160

Symbols and abbreviations

Term	Definition
AEMO	Australian Energy Market Operator
ERA	Economic Regulation Authority
EPWA	Energy Policy WA
GSI	Gas Services Information
WA	Western Australia