



29 September 2020

Kevin Ly
Group Manager Regulation
Australian Energy Market Operator
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Submitted by email: Kevin.Ly@aemo.com.au

Dear Mr Ly

Electricity Fee Structures – Consultation Paper

Origin Energy Limited (Origin) welcomes the opportunity to provide comments on the Australian Energy Market Operator's (AEMO) Electricity Fee Structures Consultation Paper.

Origin is supportive of applying fee structures that are simple, transparent and provide for the equitable allocation of costs to registered participants. Given ongoing changes in AEMO's responsibilities and market functions, Origin considers the principle of equitability would be best achieved by allocating costs to a broader group of registered participants than has historically been the case. It is in this context that we have commented on elements of the existing electricity fee structures, as discussed below.

- **Period of fee structure:** Consideration should be given to reducing the fee structure period from five to three years. This would balance the need for certainty/predictability of fee structures, while providing increased flexibility to accommodate further changes that may be required as major regulatory reforms are progressed over the short/medium term (e.g. to capture new participant categories / market services).
- **Generators:** Origin is broadly supportive of the existing fee structure applied to Generators. While AEMO has presented alternate charging metrics that could potentially be introduced, further analysis is required to understand whether those metrics would facilitate more equitable allocation of costs. We also caution against making any changes that would materially increase the complexity of fees charged.
- **Market Customers:** Origin considers the existing \$/MWh fee structure, which is based on net energy flows, remains appropriate. A \$/MWh fee structure can also be more accurately reflected in the cost stack for the Default Market Offer (DMO) and Victorian Default Offer (VDO) than a per NMI type charge.
- **National Transmission Planner (NTP):** Origin is supportive of National Transmission Planner (NTP) costs being attributed to Transmission Network Service Providers (TNSPs) based on the level of consumption within their respective jurisdictions.
- **Electricity Retail Markets – Full Retail Competition (FRC):** As noted by AEMO, activities associated with this fee category are no longer purely related to FRC (or MSATS) functions. Origin is therefore supportive of electricity retail market costs being attributed to a broader group of registered participants that utilise those functions. This could include, but may not be limited to Meter Data Providers (MDPs), Metering Coordinators (MCs) and Market Ancillary Service

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Providers (MASPs) / Demand Response Service Providers (DRSPs). Origin is also generally supportive of charging fees on a per MWh basis.

- **Five minute (5MS) / global settlement (GS) program:** The cost components of the 5MS/GS program that are directly related to those reforms should be allocated on a \$/MWh basis to all participant categories involved in those market activities. This could include Market Customers, MDPs, MCs and MASPs/DRSPs.
- **Distributed Energy Resources (DER) integration:** Origin agrees the costs associated with AEMO's DER integration programs should be recovered from Distribution Network Service Providers (DNSPs) and DRSPs through a \$/MWh charge.
- **Energy Consumer Data Rights (CDR) program:** Operating costs associated with the ongoing delivery of CDR functions should be recovered on a 'user pays' basis from both market participants and Accredited Data Recipients (ADR's), noting ADRs will utilise the AEMO gateway under the CDR program to request data from data holders.

If you wish to discuss any aspect of this submission further, please contact Shaun Cole at shaun.cole@originenergy.com.au or on 03 8665 7366.

Yours Sincerely,



Steve Reid
Group Manager, Regulatory Policy