



10 March 2017

Mr Jack Fitcher
Chief Financial Officer
Australian Energy Market Operator Limited
GPO Box 2008
MELBOURNE VIC 3001

By email to: jack.fitcher@aemo.com.au

Dear Mr Fitcher

RE: Structure of Participant fees in AEMO's electricity full retail competition market – Draft Report

ERM Power Limited (ERM Power) welcomes the opportunity to respond to the Australian Energy Market Operator's (AEMO) draft report on the structure of Participant fees in AEMO's electricity full retail contestability market.

About ERM Power Limited

ERM Power is an Australian energy company operating electricity sales, generation and energy solutions businesses. The Company has grown to become the second largest electricity provider to commercial businesses and industrials in Australia by load¹, with operations in every state and the Australian Capital Territory. A growing range of energy solutions products and services are being delivered, including lighting and energy efficiency software and data analytics, to the Company's existing and new customer base. ERM Power also sells electricity in several markets in the United States. The Company operates 497 megawatts of low emission, gas-fired peaking power stations in Western Australia and Queensland. www.ermpower.com.au

General comments

ERM Power strongly supports the positions set out in AEMO's draft report to levy Participant fees on a per connection point basis. As outlined in our previous submissions on this issue, we believe that a connection point rate is a more accurate reflection of the basis for costs incurred by AEMO, compared to the current volume-consumed basis. ERM Power is pleased that AEMO has maintained its original position to levy Participant fees on a per connection point basis.

With respect to the implementation date for this change, we acknowledge that the intent of the proposed 1 July 2019 start date is to allow for the implementation of the Power of Choice reforms on 1 December 2017. ERM Power considers that implementing the Power of Choice changes are not in fact

¹ Based on ERM Power analysis of latest published financial information.



a major barrier to being able to shift to levying participant fees on a per connection point basis earlier. ERM Power remains convinced that a start date as soon as 1 July 2017 is possible.

Please contact me if you would like to discuss this submission further.

Yours sincerely,

[signed]

Ben Pryor
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