



# ELECTRICITY TRANSMISSION USE OF SYSTEM PRICES - 1 JULY 2016 TO 30 JUNE 2017

FOR THE NATIONAL ELECTRICITY MARKET

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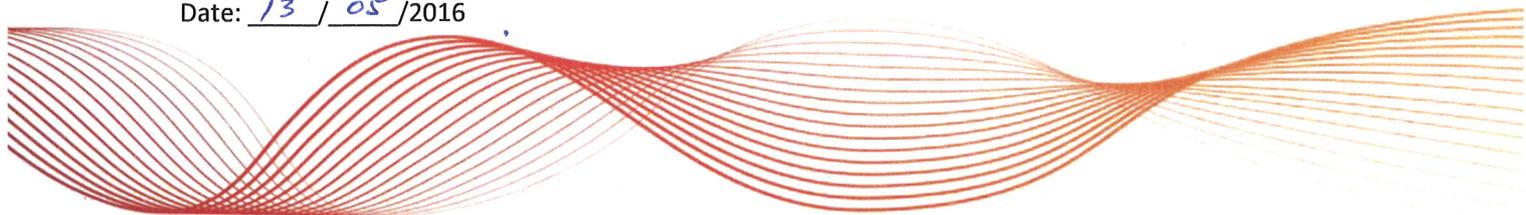


Approved for Distribution and Use

Matt Zema

Managing Director and Chief Executive Officer

Date: 13 / 05 / 2016





# IMPORTANT NOTICE

## Purpose

AEMO has prepared this document to provide information about the electricity transmission use of system (TUoS) prices, as at the date of publication.

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# 1 ELECTRICITY TRANSMISSION USE OF SYSTEM PRICES

AEMO's Transmission Use of System (TUoS) charges recover the costs for providing shared transmission network services in Victoria, and are calculated in accordance with the National Electricity Rules (NER) and AEMO's Pricing Methodology<sup>1</sup>.

TUoS prices apply for the financial year 1 July 2016 to 30 June 2017 and comprise:

## 1.1 Prescribed TUoS services - Locational

Locational charges reflect the cost of utilising the network at various locations. They are designed to encourage the most efficient use of the transmission network and are based on average maximum demand. They reflect the long run marginal cost of transmission at each connection point.

## 1.2 Prescribed TUoS services - Non-locational

Non-locational charges recover the balance of AEMO's annual revenue for providing the shared transmission network, and mainly relate to overhead and financing costs. The non-locational price is either an energy or capacity price, each of which has a common value across all locations.

## 1.3 Prescribed common services

Common services include the cost of planning and operating the network, such as control buildings, protection systems, easements, land tax etc. The common service price is either an energy or capacity price, each of which has a common value across all locations.

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<sup>1</sup> <http://www.aemo.com.au/About-AEMO/Corporate-Publications/Energy-Market-Budget-and-Fees/Electricity-Transmission-Use-of-System-Charges>



## 2 SCHEDULE OF PRICES FOR 1 JULY 2016 TO 30 JUNE 2017

### 2.1 Locational Prices

Point of Supply	TUOS Locational (\$/MW)		
	TUOS Locational Price	GST	Total Price
Altona	17,102	1,710	18,812
Ballarat	23,112	2,311	25,423
Bendigo	28,452	2,845	31,297
Brooklyn	17,833	1,783	19,616
Brunswick	12,540	1,254	13,794
Cranbourne	11,867	1,187	13,054
East Rowville	12,089	1,209	13,298
Fishermans Bend	16,162	1,616	17,778
Fosterville	25,735	2,574	28,309
Geelong	19,121	1,912	21,033
Glenrowan	16,813	1,681	18,494
Heatherton	15,177	1,518	16,695
Heywood	28,751	2,875	31,626
Horsham	37,920	3,792	41,712
Keilor	16,280	1,628	17,908
Kerang	38,031	3,803	41,834
Loy Yang	11,835	1,184	13,019
Malvern	17,402	1,740	19,142
Morwell	5,507	551	6,058
Mount Beauty	4,358	436	4,794
Point Henry	21,022	2,102	23,124
Portland Smelter	34,784	3,478	38,262
Red Cliffs	48,343	4,834	53,177
Richmond	13,873	1,387	15,260
Ringwood	13,071	1,307	14,378
Shepparton	21,628	2,163	23,791
South Morang	13,130	1,313	14,443
Springvale	12,143	1,214	13,357
Templestowe	14,300	1,430	15,730
Terang	34,850	3,485	38,335
Thomastown	13,403	1,340	14,743
Tyabb	15,947	1,595	17,542
Wemen	49,607	4,961	54,568
West Melbourne	15,576	1,558	17,134
Western Port	17,602	1,760	19,362
Wodonga	9,685	969	10,654
Yallourn PS G.5	6,621	662	7,283



## 2.2 Common Service Prices

(either one of the following)	Common Service		
	Common Service Price	GST	Total Price
Energy Price (\$/MWh)	6.016	0.602	6.618
Capacity Price (\$/MW)	29,457	2,946	32,403

## 2.3 Non-Locational Prices

(either one of the following)	TUOS Non-Locational		
	TUOS Non-Locational Price	GST	Total Price
Energy Price (\$/MWh)	3.296	0.323	3.619
Capacity Price (\$/MW)	16,140	1,614	17,754



## 2.4 Notes

1. TUoS prices have been determined in accordance with AEMO’s pricing methodology.
2. Prices for new connection points will be calculated by AEMO in accordance with the NER.
3. These prices apply to metered usage at terminal stations. Terminal stations are where the assets owned by distribution businesses and other transmission-connected customers connect to the shared transmission network.
4. As per AEMO’s Pricing Methodology, locational charges for 2016–17 are calculated at each terminal station by:
  - (a) Identifying the 10 weekdays when power system demand was highest, between 1100 hrs and 1900 hrs in the local time zone from 1 March 2015 to 29 February 2016.
  - (b) Calculating the average hour demand (MW) consumed at each terminal station for all days.
  - (c) Multiplying the locational price (\$/MW) that applies to each terminal station by the demand calculated in paragraph (b).
5. Common service charges and non-locational charges for 2016–17 are either:
  - (a) Energy price multiplied by metered energy at the connection point from 1 March 2015 to 29 February 2016; or
  - (b) Capacity price multiplied by maximum contract demand for the connection point referable to that period. Note that capacity price is only available where a customer’s agreement with AEMO nominates a fixed maximum demand and a penalty for exceeding that demand.
6. TUoS charges will be varied by clause 9.8.4(a)(3) of the NER. An equalisation adjustment is applied to each distribution business as shown below:

Distribution Business	Equalisation Adjustment (\$ per annum)		
	Exclusive of GST	GST	Total
AusNet Services (previously SPI Electricity)	-987,800	-98,780	-1,086,580
Powercor Australia	-3,802,200	-380,220	-4,182,420
Jemena	1,034,200	103,420	1,137,620
CitiPower	1,184,000	118,400	1,302,400
United Energy	2,571,800	257,180	2,828,980