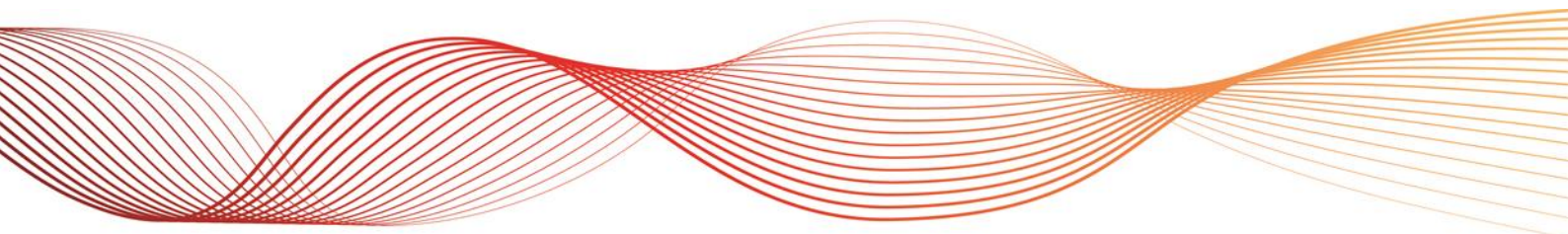




WHOLESALE ELECTRICITY MARKET 2016-17

Published: **November 2016**





1.1 Introduction

On 30 November 2015, the Wholesale Electricity Market (WEM) functions previously performed by the Independent Market Operator (IMO) were transferred to the Australian Energy Market Operator (AEMO), with almost \$18 million in recoverable revenue annually.

The WEM functions performed by AEMO include market operations services, system planning services and market administration services.

1.2 Budget process for WEM

Under the Market Rules, AEMO is required to submit an Allowable Revenue and Forecast Capital Expenditure submission to the Economic Regulation Authority (ERA) on a triennium basis. The ERA are then required to assess the submission and undertake a public consultation process prior to delivering a determination on the submission.

A submission was made to the ERA on 16 September 2016 covering the triennium from 1 July 2016 to 30 June 2019.

1.3 Submission to ERA by AEMO

The below table sets out the amounts submitted by AEMO for the Allowable Revenue and Forecast Capital Expenditure over this period.

	2016-17 \$M	2017-18 \$M	2018-19 \$M	Total \$M
Allowable Revenue	17.1	16.2	20.6	54.0
Forecast Capital Expenditure	15.6	13.8	2.2	31.5

The ERA are currently assessing the submission and are required to undertake a public consultation process, with a final determination due by 16 December 2016.

The budget and fees for these services will then be published on the AEMO website as required under Market Rules.