



ACTIVESTREAM

13 December 2016

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

Lodged via email: jack.fitcher@aemo.com.au

Dear Mr Fitcher,

RE: Structure of Participant Fees in AEMO's Electricity FRC Market

Active Stream Pty Ltd (Active Stream) appreciates the opportunity to provide a submission to the Australian Energy Market Operator on its initial consultation on the Structure of Participant Fees in the Electricity Market (consultation paper).

Active Stream is an accredited Meter Provider and Meter Data Provider, which delivers digital meters and data services to energy retailers, distributors, and other businesses in the National Electricity Market (NEM). Established in 2014, Active Stream is a wholly owned subsidiary of AGL Energy Limited. Our digital metering solutions enable businesses to fully realise the benefits of advanced metering technology to deliver their services more efficiently and offer innovative products which better meet the needs of current and future energy consumers.

We acknowledge that the Australian Energy Market Commission's (AEMC) metering competition rule and other associated Power of Choice rules will take effect on 1 December 2017, and that as a result of these rules, subsequent market changes could impact the way in which AEMO undertakes its Electricity Full Retail Competition (FRC) function. As part of its review, AEMO is examining whether its current Participant Fee structure is appropriate, including the need to extend fee coverage to Metering Coordinators - the new soon-to-be created Registered Participant market role. Active Stream is currently considering whether to seek accreditation as a Metering Coordinator in the NEM and as such has a strong interest in the outcome of this consultation.

Active Stream supports AEMO's guiding principles as a measure of how best to design its Participant Fee structure for the Electricity FRC function. We believe that these principles in conjunction with the National Electricity Objective, provide for the right drivers in determining who should pay Participant Fees. However, we also consider that the fee structure should reflect the most efficient form of fee collection without increasing overall costs unnecessarily. As such Active Stream supports retaining Option 1 (Continuing to levy 100% of fees on Market Customers (Retailers)). This option, as outlined in AEMO assessment, delivers the simplest form of cost recovery without risking a cost increase to the end consumer or complicating fee collection.

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We also support AEMO's view that charging Participant Fees on a connection point basis better reflects the intent of the AEMC's Power of Choice policy and AEMO's FRC capability. Active Stream however, considers that it would be more appropriate to commence this collection methodology on 1 December 2017, to align with the commencement of the Power of Choice reform. Bringing forward this date will also better reflect AEMO's guiding principles and FRC functions.

If you would like further details or clarification on our views, please contact Helen Stimpson, Services Delivery Lead on 03 8623 8478 or at HStimpson@activestream.com.au.

Yours sincerely,

Jim Kuiper – Head of Operations

pp Jason Clark
General Manager – Active Stream