



20 October 2015

Mr Jack Fitcher  
Australian Energy Market Operator  
GPO Box 2008  
MELBOURNE VIC 3001

By e-mail: [jack.fitcher@aemo.com.au](mailto:jack.fitcher@aemo.com.au)

Dear Mr Fitcher

### **Consultation Paper – Structure of Participant Fees in AEMO’s electricity markets**

Origin Energy (Origin) welcomes this opportunity to respond to the Australian Energy Market Operator’s (AEMO’s) initial consultation on the structure of participant fees in the National Electricity Market (NEM).

Origin generally supports the existing structure of participant fees and makes the following specific comments on issues raised in AEMO’s initial consultation paper.

#### Period of fee structure

Origin supports the five year period to which the fee structure applies as it provides a period of certainty associated with the allocation of costs among market participants.

#### National Electricity Market fee structure

Origin again is generally supportive of the current fee structure for market participants. However, we note that under the Power of Choice rule changes, new participants (Metering Coordinators and third party new entrants) may have B2B funding commitments for new services supported by these rule changes (for example, the Shared Market Protocol). While we acknowledge that it is difficult for AEMO to determine an approach to cost recovery for these new services given the limited information currently available, this matter should be considered where appropriate through the participant fees consultation.

In terms of alternatives to consumption of energy (by volume) to determine participant fees for market customers (e.g. on a fixed basis), these are difficult to identify. As such, the current approach should continue to apply.

#### National Transmission Planner (NTP)

Origin does not see any reason to alter the recovery of participant fees for the NTP function.

#### Electricity Full Retail Competition (FRC)

Origin supports the retention of the current cost allocation for the FRC function. Given the modest level of these costs, there does not appear a compelling reason to change the current arrangement.

### Energy Consumers Australia (ECA) fees

Origin supports the current model for the recovery of ECA fees- the structure supports the role and functions that ECA undertakes on behalf of customers.

### Staged implementation

Origin agrees with the concept of a staged implementation approach. This will complement retail tariff changes processes if the timetable for implementation can be aligned with the obligations of retailers (as Market Customers).

### Registrations

We support the current review of the end-to-end registrations process and agree that once complete, if material changes are identified that these be included in AEMO's annual budgeting process.

### NEM Participant Compensation Fund (PCF)

Origin believes there is no reason to change the current arrangements for the PCF.

### Incremental service fees

The current approach applied by AEMO to incremental service fees is supported by Origin.

Should you wish to discuss the contents of this response, please contact David Calder, Manager Regulatory Strategy on (03) 8665-7712 in the first instance.

Yours sincerely



Sean Greenup  
Manager, Energy Regulation Retail  
(07) 3867 0620 – [Sean.Greenup@Originenergy.com.au](mailto:Sean.Greenup@Originenergy.com.au)