



10 February 2021

Kevin Ly  
Group Manager Regulation  
Australian Energy Market Operator  
PO Box A2449  
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Submitted by email: [Kevin.Ly@aemo.com.au](mailto:Kevin.Ly@aemo.com.au)

Dear Mr Ly

### **Electricity Fee Structures – Draft Determination**

Origin Energy Limited (Origin) welcomes the opportunity to provide comments on the Australian Energy Market Operator's (AEMO) Electricity Fee Structures Draft Determination. The Draft Determination broadly balances the principles of simplicity, transparency and equitability. Our comments on specific elements of the draft are provided below.

- **General allocation of core NEM fees:** It is clear AEMO's responsibilities and market functions have changed over time, particularly with respect to network service provider (NSP) related activities. We are therefore supportive of the proposal to allocate direct costs to a broader group of registered participants than has historically been the case based on an assessment of participants' reflective levels of involvement in AEMO's functions.
- **Generators:** Origin is supportive of retaining the existing fee structure as proposed.
- **Market Customers:** Origin's general preference is to retain a simple \$/MWh fee. However, we recognise AEMO's view that transitioning to a combined \$/MWh and \$/NMI fee structure would likely provide more equitable outcomes over time. We also agree this change could be accommodated within retailer systems in the proposed transitional timeframe.
- **Five minute (5MS) / global settlement (GS) program:** Origin is supportive of the proposal to separately allocate legacy upgrade costs and 5MS/GS specific costs. However, it would be useful for the Final Determination to clarify:
  - how AEMO will differentiate between legacy and 5MS/GS specific costs and provide an estimate of the proportion of total program costs that would be allocated to each category; and
  - the rationale for excluding NSPs and meter data providers (MDPs) from any cost recovery, noting both participant groups are involved in AEMO's 5MS/GS implementation activities and will be impacted by the changes on an ongoing basis.
- **Distributed Energy Resources (DER) integration:** The costs of establishing the wholesale demand response (WDR) mechanism should ultimately be recovered from the group of market participants benefiting from its establishment, namely demand response service providers (DRSPs). We agree it may be necessary to apportion those costs over a forward period to avoid creating a barrier to entry for DRSPs at market start.

If you wish to discuss any aspect of this submission further, please contact Shaun Cole at [shaun.cole@originenergy.com.au](mailto:shaun.cole@originenergy.com.au) or on 03 8665 7366.

Yours Sincerely,

A handwritten signature in blue ink, consisting of a series of connected loops and a vertical line at the end, resembling the name 'Steve Reid'.

Steve Reid  
Group Manager, Regulatory Policy