

23 September 2020

Kevin Ly
Group Manager Regulation
Australian Energy Market Operator
Level 2, 20 Bond Street
SYDNEY NSW 2001

Submitted via email: kevin.ly@aemo.com.au

Dear Mr Ly,

Electricity Market Participant Fee Structure Review

PLUS ES welcomes the opportunity to provide feedback to AEMO's consultation paper published on the 18 August 2020, with respect to Electricity Market Participant Fee Structure Review.

On the topic of FRC fees, PLUS ES recommends and supports the maintenance of the present structure - cost recovery fee per NMI, avoiding transactional-based fee structures. The below points provide our reasoning and align with the AEMO's costing principles:

- **Fairness and non-discrimination in cost recovery, cost reflective:**
 - On the basis that system costs would be dominantly fixed, and the variable component would be relatively small, a transactional-based costing would not be proportional to the actual costs
 - Participants such as Metering Coordinators carry only a very small proportion of the electricity revenue pie (dominated by retailers and networks) therefore the amount that could be reasonably extracted by MC's and the like, could only be small
 - If the transaction costs were applied down to the customer, different customers in the same customer category could attract different market fees, even though they cannot influence or may not be the cause of the transactions
- **Simplicity:**
 - Costing by market transaction would be complex, result in significant overhead with little gain; for example, reconciliation of fees, etc.



- **Operational distortion:**

- Amending the fees to be transaction based may encourage short-cuts and avoidance of legitimate market transactions, to reduce additional costs.

PLUS ES would welcome any further discussion in relation to this submission. If you have any questions or wish for further discussion, please contact Helen Vassos on 0419 322 530 or at Helen.vassos@pluses.com.au.

Sincerely,

A handwritten signature in blue ink, appearing to read "Darren Ferdinands".

Darren Ferdinands

Head of Metering - PLUS ES