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Part of Energy Queensland

15 June 2022

Mr Daniel Westerman  
Chief Executive Officer  
Australian Energy Market Operator  
GPO Box 2008  
Melbourne VICTORIA 3001

By e-mail to: [kevin.ly@aemo.com.au](mailto:kevin.ly@aemo.com.au)

Dear Mr Westerman

### **Declared National Electricity Market (NEM) Project – NEM 2025 Reform Program**

Ergon Energy Queensland Pty Ltd (Ergon Energy Retail) welcomes the opportunity to provide comment to the Australian Energy Market Operator (AEMO) on its consultation *Declared National Electricity Market (NEM) Project – NEM 2025 Reform Program*.

Ergon Energy Retail acknowledges that AEMO, as an industry funded entity, recovers its costs from market participants. As such, costs incurred to facilitate changes in AEMO's functions, obligations, information technology systems and business processes must be recovered from market participants. To this end, Ergon Energy Retail supports AEMO's intention to declare the NEM 2025 Reform Program a NEM project under clause 2.11.1(ba) of the National Electricity Rules.

However, and similar to the five minute settlement project, we consider there is a risk that customer savings delivered by the reform program could be offset by the industry costs incurred in readying for this reform. Consequently, and in the interests of transparency, we recommend that AEMO undertake a detailed cost-benefit analysis for all system upgrades, and release this analysis to industry for consultation, prior to proceeding with any investment.

We await AEMO's consultation on the fee structure for the proposed recovery of the costs associated with this project.

Should you require additional information or wish to discuss any aspect of this submission, please do not hesitate to contact me or Peter Wall on 0436 423 112.

Yours sincerely

A handwritten signature in black ink that reads "C. G. Martin". The signature is written in a cursive style with a large initial "C" and "G".

Charmain Martin  
**Acting Manager Regulation**

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