

Consumer Forum

29 July 2024

Emily Duck, Manager,
Consumer and Community





We acknowledge the Traditional Custodians of the land, seas and waters across Australia. We honour the wisdom of Aboriginal and Torres Strait Islander Elders past and present and embrace future generations.

We acknowledge that, wherever we work, we do so on Aboriginal and Torres Strait Islander lands. We pay respect to the world's oldest continuing culture and First Nations peoples' deep and continuing connection to Country; and hope that our work can benefit both people and Country.

'Journey of unity: AEMO's Reconciliation Path' by Lani Balzan

AEMO Group is proud to have delivered its first Reconciliation Action Plan in May 2024. *'Journey of unity: AEMO's Reconciliation Path'* was created by Wiradjuri artist Lani Balzan to visually narrate our ongoing journey towards reconciliation – a collaborative endeavour that honours First Nations cultures, fosters mutual understanding, and paves the way for a brighter, more inclusive future.

Read our
RAP



Today's agenda

Time	Item	Speaker
11:00 am	Welcome Acknowledgement of Country	Emily Duck, Manager, Consumer and Community Kerri Major, Senior Stakeholder Advisor, Consumer and Community
11:05 am	Update on AEMO initiatives (5 mins)	Emily Duck, Manager, Consumer and Community
11:10 am	Final FY25 Budget & Fees update (15 mins)	Margaret Lynch, Stakeholder Engagement Lead, Corporate Services
11:25 am	ISP 2026 – Meet our Consumer Panel (15 mins)	Mark Henley, Chair, ISP Consumer Panel
11:40 am	AEMO Strategic Corporate Plan (20 min)	Kate Ryan, Executive General Manager WA & Strategy
12:00 pm	Other business and next meeting (5 mins)	Emily Duck, Manager, Consumer and Community

Housekeeping

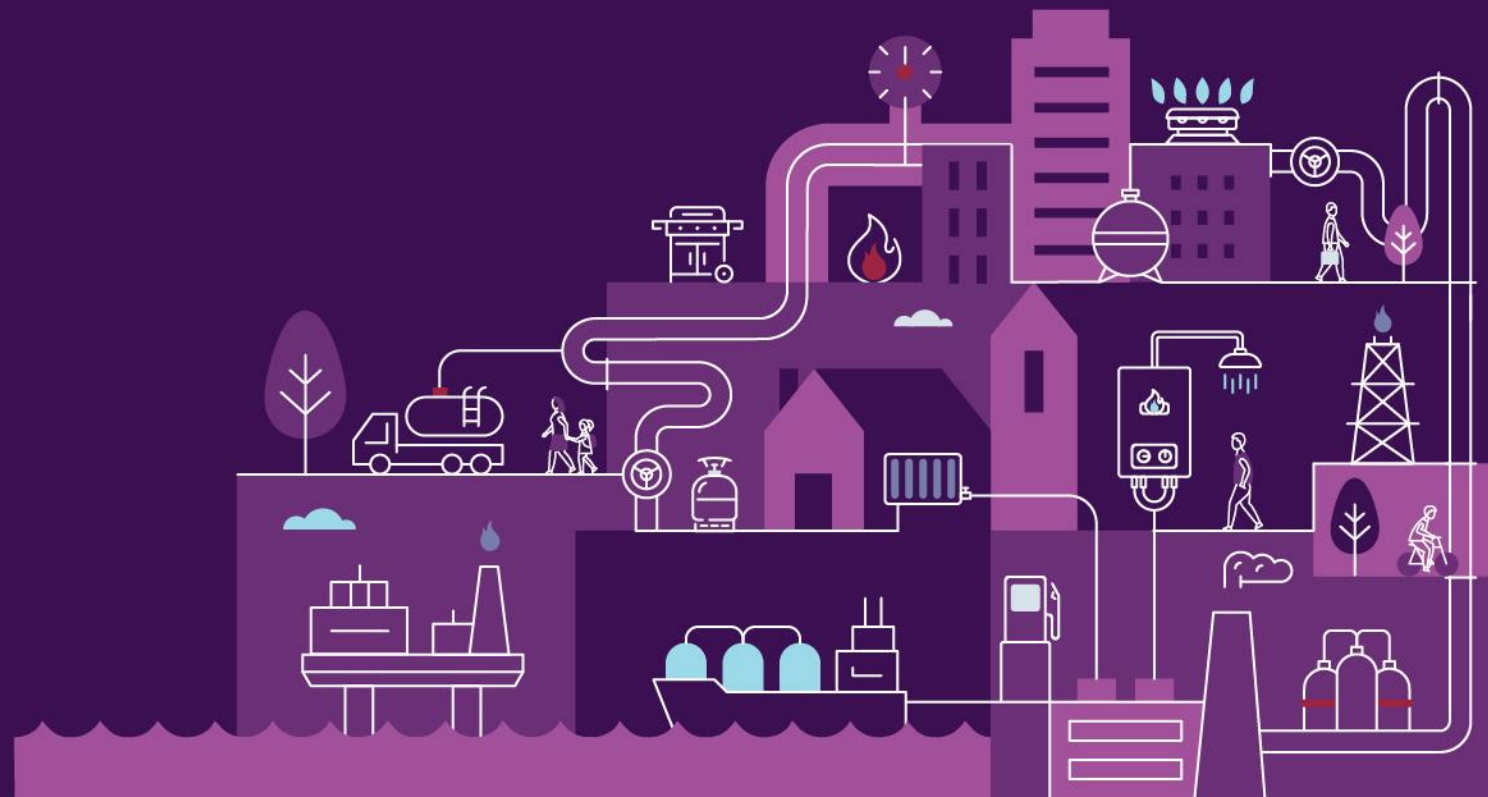
- This session is being recorded for note-taking purposes only
- Muted unless talking, thank you
- Ask questions via the chat function throughout
- We will prioritise one question per person per topic so all voices can be heard, and come back to additional questions if time allows
- We will endeavour to follow up questions we do not get to in session
- Respectful and relevant
- Equal opportunity to engage

Last time we met...

- Available on our website:
 - Meeting summary of the previous Consumer Forum on [28 June 2024](#)
- Need help with terminology? Here's a handy [list](#).
- Please provide feedback to AEMO on Consumer Forums [via this survey](#).

Update on AEMO activities

Emily Duck, Manager,
Consumer and Community



Update on AEMO initiatives

Everyday AEMO engages with people and organisations connected to our purpose to ‘ensure safe, reliable and affordable energy and enable the energy transition for the benefit of all Australians’.

While our [Strategic Corporate Plan](#) sets out the priorities, initiatives and values that guide this work and help us keep the lights on and gas flowing for millions of people 24/7, as an independent national body we recognise the opportunity we have to further influence across governments, industry and the consumer sector to ensure that **people remain at the centre of Australia’s energy transition**.

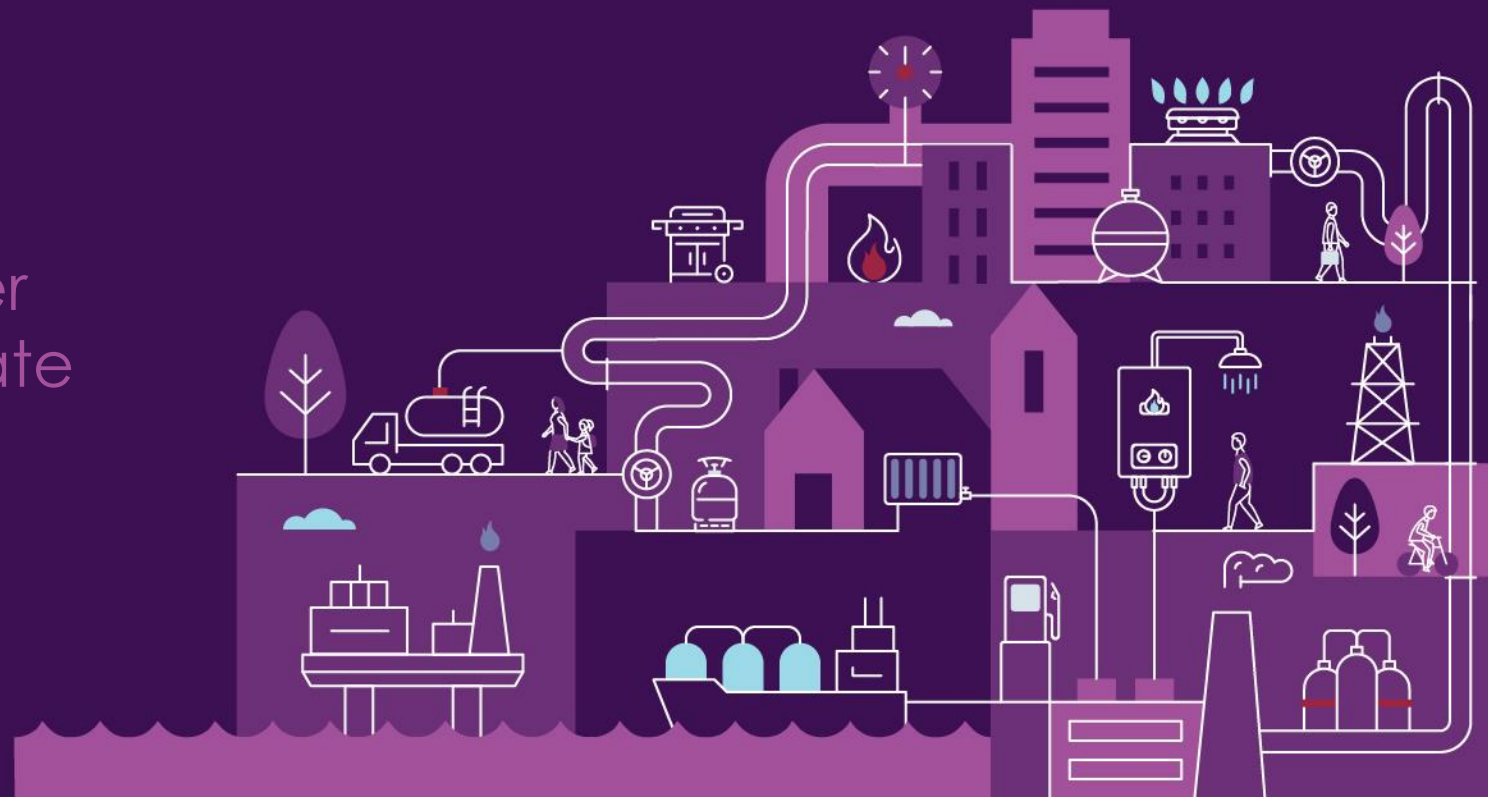
Strategic Priorities	Area of work	Relevant updates
Priority 1 Operating today’s systems and markets	System and market operations	<ul style="list-style-type: none"> On 15 July, Victoria broke a 17-year winter record for maximum electricity demand (8,612 MW). The previous record of 8,351 MW was on 17 July 2007. On 17 July, Queensland hit a new winter maximum operational demand record (8,728 MW), up 12 MW from the previous record (4 July 2022).
Priority 2 Navigating the energy future	Energy system design	<ul style="list-style-type: none"> 2024 Integrated System Plan (ISP) published 26 June 2024. A summary is also available. AEMO and Ausnet are holding the first of three CER Data Exchange Industry Co-Design project workshops on 4 August in Melbourne. Register here and contact the team for questions. Consultation open on 2025 Inputs, Assumptions and Scenarios Report scenarios until 13 August.
Priority 3 Engaging our stakeholders	Embedding a consumer and community focus	<ul style="list-style-type: none"> New ‘AEMO on Air’ podcast episodes available to stream including: <ul style="list-style-type: none"> Daniel Westerman discussing the 2024 Integrated System Plan. Kate Ryan discussing the WEM Electricity Statement of Opportunities (WA ESOO). Read a recap of Daniel Westerman’s speech at the Australian Clean Energy Summit 2024. Call for EOIs for the Consumer and Community Reference Group open till 16 August.
Priority 4 Evolving the way we work	Financial health	<ul style="list-style-type: none"> AEMO’s FY25 Budget and Fees published on 28 June, along with the FY25 Strategic Corporate Plan, and will be discussed at this meeting. AEMO’s ‘Reflect’ Reconciliation Action Plan published on 27 May 2024.

Priority 4 – Evolving the way we work



FY25 Final Budget & Fees

Margaret Lynch, Stakeholder
Engagement Lead, Corporate
Services



Snapshot of FY25 Budget consultation process

- Consultation ran from 5 April to 26 April.
- Publicised in weekly newsletter to our stakeholders.
- Presented at this forum on 17 April – lively and informed discussion.
- Hosted a webinar 18 April with 25 external market participants.
- Draft FY25 Budget was downloaded by more than a hundred stakeholders during the consultation period.



[AEMO Final Budget and Fees FY25](#)

One formal submission + feedback and questions

Australian Energy Council

- Acknowledged efforts to achieve NEM Core deficit recovery.
- Queried if NEM Core fees would return to pre-deficit recovery levels after deficit was cleared.
- Sought details of headcount in relation to labour costs.
- Queried need for overall revenue requirement increase (all segments combined).
- Queried interest rates on debt.
- Asked for the FY25 budget tables to be provided in Excel.

AEMO responded to the AEC on 22 May 2024.

Other queries (mostly from the Consumer Forum) included ...

- Acknowledged efforts to achieve NEM Core deficit recovery.
- Queries on the cost of the ISP, in particular the actions identified in Commonwealth review leading to expanded ISP.
- Seeking assurance of ongoing financial prudence and financial sustainability.
- Summary of responses published online: [AEMO | Draft FY25 budget and fees consultation](#)

Key changes: draft to final budget

AEMO's financial segments



NEM Core
NEM Functions
NEM Connections



East Coast Gas



WA Electricity and Gas



Victorian Transmission Network
Service Provider (Vic TNSP)

New segments



Capacity Investment Scheme
(previously AEMO Services Ltd)



NSW Roadmap

These two segments are funded by contractual arrangements with federal and state governments and not through participant fees. These figures are commercial in confidence.

- Overall increase in budget (from draft) is predominantly due to discrete pieces of work with contracted funding arrangements.
- Participant fees are the same and our obligation to clear the NEM Core deficit within the annual 4.5% fee increase remains.
- Final Western Australia numbers after Economic Regulatory Authority confirmed funding.
- General improvements to clarity and structure of the document.
- Addition of fees for Connections activity.
- Provided all data in Excel tables alongside the budget.

Priority 2 – Navigating the energy future

2026 ISP: Meet our Consumer Panel

Mark Henley

Chair, ISP Consumer Panel



2026 ISP Consumer Panel

- AEMO has appointed Mark Henley (Chair), Beverley Hughson, Craig Memery and Dr Jarra Hicks as the four-member [2026 ISP Consumer Panel](#).
- Dr Jarra Hicks welcomed as a new panellist, with the other three panellists continuing for a second term.

Purpose of the ISP Consumer Panel

- The ISP Consumer Panel plays a critical role to bring a consumer-focused perspective to the ISP development process; not only through the formal reports produced by the panel at key milestones, but through regular engagement with AEMO.
- Each of the four 2026 ISP Consumer Panel members bring unique expertise representing consumers.
- Combined, the 2026 ISP Consumer Panel will reinforce a focus on consumer interests at every stage of the two-year planning cycle.



Priority 4 – Evolving the way we work



FY25 Strategic Corporate Plan

Kate Ryan
Executive General Manager
WA & Strategy



Australia's energy transition is well underway

To replace ageing coal-fired generation and meet growing demand, urgent investment is needed in new renewable energy generation, transmission, storage and flexible gas generation.

The transition is being driven by a combination of government policies, technological evolution, market economics and consumer action. Governments have set 2050 as the target for a net zero economy, with each jurisdiction having interim emissions and renewable energy targets to meet this deadline.

AEMO has a central role in enabling the transition through its three core functions: operating the system, operating the markets and planning and enabling the future power system. Recent additions to the legislative objectives in our energy laws now require AEMO to have regard to the achievement of government emissions reduction targets (amongst other things).

AEMO's Strategic Corporate Plan articulates the priorities and initiatives for FY25 that guide our actions to ensure safe, reliable and affordable energy today, and enable the energy transition for the benefit of all Australians.



Strategic Corporate Plan

Our strategy

Purpose:

To ensure safe, reliable & affordable energy and enable the energy transition for the benefit of all Australians

Vision:

Enable net-zero

Strategic priorities:

- | | | | |
|--|---|--|---------------------------------------|
| 1.
Operating today's systems and markets | 2.
Navigating the energy future | 3.
Engaging our stakeholders | 4.
Evolving the way we work |
|--|---|--|---------------------------------------|

Values:

- | | | |
|---------------------------------|--------------------------------------|-------------------------------------|
| Character
Be our best | Connection
Better together | Commitment
Make it happen |
|---------------------------------|--------------------------------------|-------------------------------------|

Our priorities at a glance

1. Operating today's systems and markets:

Deliver our core responsibilities in accordance with electricity, gas and other laws and rules to ensure safe, reliable and affordable energy for all Australians

- Continue to uplift operational capability in the National Electricity Market (NEM) and Wholesale Electricity Market (WEM)
- Effectively manage known and emerging power system risks through uplift in modelling and information
- Continue to modernise technology systems and tools
- Uplift of systems and technology to improve the operational efficiency and reliability of the energy systems and market
- Operationalise new *Security of Critical Infrastructure Act 2018* roles and responsibilities
- Strengthen and accelerate AEMO's cyber resilience to ensure continued operations of the energy system

2. Navigating the energy future:

Plan the energy system of the future, and support and deliver system and market reforms, investments and improvements to enable efficient and lowest cost transition to a net zero emissions future

- Deliver high quality, timely network planning advice and reliability outlooks through AEMO's key publications
- Continue to progress prioritised initiatives under the Engineering Roadmap and the WA South West Interconnected (SWIS) roadmap
- Deliver and embed NEM and gas reforms, and commence planning for the next tranche of reforms with industry
- Improve in the connection process to accelerate connections
- Collaborate with industry and government on Distributed Energy Resources (DER) reform
- Deliver on core obligations and responsibilities as the NSW Customer Trustee and delivery partner for the Capacity Investment Scheme

3. Engaging our stakeholders:

Be a trusted partner working with our stakeholders to deliver better energy outcomes for consumers and the community

- Enhance AEMO's relationships and trust with governments, industry and energy consumers to deliver key priorities and critical reforms
- Improve understanding and reach of AEMO's information and publications
- Uplift AEMO's engagement and communications capabilities
- Build greater understanding and awareness of the energy transition with consumers and the community
- Embed a more consumer-focused mindset in AEMO's decision making and ways of working

4. Evolving the way we work:

Be adaptive, effective, commercial and consumer-focused organisation that delivers value and contributes to a more inclusive and sustainable energy future

- Continue to implement AEMO's Strategic Workforce Plan to attract, recruit and develop emerging talent
- Deliver on the Reflect Reconciliation Action Plan (Reflect RAP)
- Develop and deliver AEMO's Environment, Social & Governance (ESG) Strategy
- Uplift capability for corporate functions, enabled through modern technology
- Mature and uplift AEMO's data capabilities
- Deliver organisation outcomes within agreed budget, embedding efficiency improvements

Strategic Corporate Plan



1. Operating today's systems and markets:

Keep the lights on and the gas flowing, matching energy demand and supply in real time around the clock and settling trades between wholesale energy sellers and buyers.

Consumer context:

- Australians need access to safe, reliable and affordable energy to run their homes and businesses, study, work, connect and be well.
- To enable the transition to net zero emissions, the types, mix and locations of our energy generation, transportation and storage are changing.
- As energy demand grows and coal-fired generation retires, more renewables are coming online at the grid and consumer level (with rooftop solar now the NEM's largest source of generation capacity).
- Broader cost of living pressures are impacting on energy affordability for families and businesses.
- Issues like extreme weather events and emerging cyber threats can also impact on energy security.

The challenge:

- Operating today's systems and markets is becoming more complex as we transition to net zero.

How we're addressing it:

- Managing real time operations, systems and market performance.
- Managing known and emerging risks, business continuity and emergencies.
- Delivering a suite of projects to improve AEMO's capabilities and modernise our core systems and tools to meet evolving system and market needs.
- Playing a central role in building cyber resilience internally and across industry.

Strategic Corporate Plan



2. Navigating the energy future:

Plan the essential infrastructure and system operability requirements to meet the future energy needs of people and businesses as we transition to a net zero emissions future.

Consumer context:

- Every day Australians will play a major role in the transition to net zero.
- Many households and businesses are already taking steps to reduce and manage their energy use, bills and emissions, practicing energy efficiency and investing in 'consumer energy resources' like solar, batteries and electric vehicles. If coordinated effectively, these resources have the potential to lower costs for all consumers.
- For communities being asked to host new energy infrastructure, these changes can present both benefits and challenges including around sense of place, culture, biodiversity, livelihoods and more.
- Listening and responding to the voices, needs and concerns of local people and communities will be essential.

The challenge:

- Decarbonising the energy industry at low cost while continuing to provide safe, reliable, affordable energy.

How we're addressing it:

- Working closely with stakeholders on CER and other key reforms.
- Gathering and analysing data to provide insights and inform policy.
- Delivering on AEMO's unique Victorian transmission network planning role.
- Delivering high quality, timely network planning advice and reliability outlooks to inform our energy future (e.g. ISP, ESOO, GSOO).

Strategic Corporate Plan



3. Engaging our stakeholders:

Build trusted relationships among governments, businesses and communities to work together to find solutions to complex problems the energy transition presents

Consumer context:

- Consumers and communities need to be heard, understood and involved in how the energy transition is delivered, to enable positive energy outcomes for all Australians

The challenge:

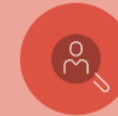
- Tackling the increasingly complex challenges of the transition requires genuine collaboration and cooperation with and between market bodies, industry participants, jurisdictions and consumers.

How we're addressing it:

- Improving understanding and reach of AEMO's information and publications
- Uplifting AEMO's engagement and communications capabilities
- Building greater understanding and awareness of the energy transition with consumers and the community
- Embedding a more consumer-focussed mindset in AEMO's decision making and ways of working
- Collaborating closely with stakeholders to deliver key priorities and critical reforms

AEMO Stakeholder Engagement Framework and Principles

Engagement Principles in action



Credible

- We engage genuinely, with honesty, authenticity and humility.
- We are open and transparent about our information.
- We are intentional in our engagement and clear about which decisions stakeholders can and cannot influence.



Reliable

- When we make decisions, we explain them openly, clearly and in an accessible way.
- We provide a coordinated, consistent service to stakeholders so that engagement with AEMO is effective and efficient for all.
- We provide information in a timely manner, treat stakeholder queries as important and respond in reasonable timeframes.



Staying close

- We are flexible and pragmatic when solving our stakeholders' problems.
- We meet with stakeholders regularly so we understand their perspectives and expectations and how we can offer value.
- We ensure multiple relationships between AEMO and stakeholders.



Self-aware

- We learn from our stakeholders through our engagements and apply those learnings.
- We treat our stakeholders' success as our own and help them achieve their objectives.
- We take a view of what is best for consumers and the energy system as a whole. We are aware of our limitations and consider whether other organisations are better placed to deliver on some things.

To see AEMO's Stakeholder Framework and Principles in full, visit the AEMO website

Strategic Corporate Plan



4. Evolving the way we work:

Be adaptive, effective, commercial and consumer-focused organisation that delivers value and contributes to a more inclusive and sustainable energy future

Consumer context:

- People want to know organisations are focusing their resources on the right things, at the right times, to deliver value and positive outcomes for them and society
- People want organisations to understand and care about what matters to them.
- People expect organisations to foster safe, diverse and inclusive places, act responsibly, and be accountable for making a positive difference for customers, communities and the environment

The challenge:

- Continuing to meet consumer expectations while delivering the services consumers and stakeholders want at low cost, as the once-in-a-generation energy transition occurs.

How we're addressing it:

- Delivering our first ESG strategy.
- Delivering on our commitments in our Reflect Reconciliation Action Plan.
- Process and system improvements to make it easier to interact with AEMO and improve the efficiency of our processes.
- Minimise overall cost to consumers and build transparency.

Other business and next meeting



Potential agenda items

Next Consumer Forum

- Proposed for 12 September 2024

Proposed agenda items

- FY24 Results Presentation
- Consumer Energy Resources
- AEMO's ESG strategy

Following Consumer Forum

- Proposed for November 2024

Proposed agenda items

- Seasonal readiness update
- Preparation of scenarios for the 2026 ISP

Survey for proposed agenda items and feedback

<https://forms.office.com/r/fKZ06zepb4>

Thank you

