

# AEMO Consumer Forum

## Meeting Summary: 17 April 2024

These notes summarise AEMO's presentations at the Consumer Forum and feedback and questions received at a high level and are not intended to be a detailed set of minutes.

### Actions from previous meeting

- Meeting summaries and presentation decks of Consumer Forums are available on our [website](#).

### Meeting topics

- Update on AEMO initiatives
- AEMO's Draft FY25 Budget and Fees
- 2024 Gas Statement of Opportunities
- NEM2025 Reform Update
- Forum feedback and next meeting

### Update on AEMO initiatives

#### Presentation summary

AEMO presented an overview of recent and upcoming AEMO publications and activities of potential interest to consumers, including:

- AEMO's [2024 Gas Statement of Opportunities \(GSOO\)](#) and [GSOO Overview](#) was published on 21 March. Consumers may wish to watch the [recent webinar recording](#).
- Draft 2024 Integrated System Plan (ISP) Submissions reflections webinar was held on 2 April, with the [webinar recording available here](#).
- Free AEMO energy education courses for consumer advocates announced at March Consumer Forum. Advocates can contact [EnergyEducation@aemo.com.au](mailto:EnergyEducation@aemo.com.au) to register.
- AEMO's stakeholder engagement framework and principles, shared at the March Consumer Forum, are now [available online](#).
- New energy transition animation launched, titled "How will Australia keep the lights on in the future?". [Available to watch here](#).
- New podcast series 'AEMO on Air' launched, discussing all things energy. [Learn more and listen here](#).
- [AEMO's Draft FY25 Budget and Fees](#) is open for consultation until 26 April. Submissions can be made to [stakeholderrelations@aemo.com.au](mailto:stakeholderrelations@aemo.com.au).
- A winter readiness update will be provided in June.

## Draft FY25 Budget and Fees

### Presentation summary

AEMO presented a high-level overview of its annual budget development process and sought consumer feedback on its [Draft FY25 Budget and Fees](#). Key elements of the draft budget, which was open for consultation until 26 April, include:

- Topline projected figures: NEM core operating costs of \$195M, NEM functions operating costs of \$162M, and an East Coast Gas operating budget of \$59M, with a bill contribution of between 0.47% and 0.84% to residential and small business customers.
- NEM Functions and East Coast Gas segment costs reflect the operationalisation of reform projects as they are deployed and planned deployments of reform projects over the next financial year.
- An anticipated full recovery from the \$100m accumulated deficit in NEM Core by the end of FY25, within the previously agreed 4.5% fee increase. In doing so, AEMO advised it had made significant efforts to find efficiencies to meet the intended repayment timeframe, while at the same time taking on new responsibilities in response to the accelerating energy transition and managing other pressing external factors, including cyber security.

AEMO also welcomed any feedback shared in meeting as a verbal submission to its draft budget and promoted its 18 April webinar as an opportunity to hear more detail and ask further questions. Written submissions can also be emailed to [stakeholderrelations@aemo.com.au](mailto:stakeholderrelations@aemo.com.au), and all consultation submissions will be published as per [AEMO's Consultation Submissions Guidelines](#).

### Feedback and actions

Attendees sought clarity on how AEMO ensures its spending is “prudent and efficient”, causes of the incurred budget deficit, and how AEMO would look to prevent similar circumstances in future. Some consumers were understanding of the historical operating deficit occurred largely due to AEMO's increasing responsibilities in a challenging environment amidst Covid-19 and the energy transition. Other questions included whether there would be a material impact on AEMO's budgets from implementing recommendations within the Commonwealth Government's ISP Review, and when [AEMO Financial Consultation Committee](#) meeting minutes would be made available publicly.

AEMO confirmed it has an established revenue model and budgets according to a set of financial principles, which endeavour to ensure prudence and good financial management. AEMO also confirmed that it would provide its total estimated costs for delivering the ISP and thanked consumers for their feedback on enhancing financial communications transparency. AEMO's website has been updated to include all [Financial Consultation Committee meeting records](#).

## 2024 Gas Statement of Opportunities (GSOO)

### Presentation summary

AEMO presented an overview of its [2024 Gas Statement of Opportunities](#), which was published on 21 March. The GSOO forecasts the adequacy of gas supplies in central and eastern Australia to inform decisions about investment in the East Coast Gas Market. Key report highlights included:

- Gas will continue to be used by Australian households, businesses and industry, and support the reliability and security of the electricity sector.
- Small seasonal gaps are forecast to emerge in 2026 and 2027 under sustained high gas demand conditions, one year earlier than forecast in the 2023 GSOO.

- Larger, more structural annual supply gaps are forecast from 2028 with more steep declines in southern production, coal retirements influencing the forecast utilisation of gas-powered generation (GPG), despite residential and commercial demand for gas continuing to fall.
- A combination of supply and infrastructure developments are forecast to be required to maintain supply adequacy.

### Feedback and actions

Consumers sought further detail on the inputs, assumptions and data used in the 2024 GSOO, adequacy of gas storage investment and transmission to mitigate shortfalls, and the role of gas-powered generation in the electrification of Australia's economy. Others suggested that AEMO be mindful of GSOO report language around shortfalls, on the chance it could be misconstrued and trigger higher gas prices instead of spurring investment.

AEMO clarified that all assumptions and scenarios in the GSOO are aligned with the 2023 Inputs, Assumptions and Scenarios Report (IASR) and the Draft 2024 ISP. The GSOO is designed to highlight opportunities to the gas sector for new developments. All the supply and infrastructure options to address adequacy and delivery of gas presented in the 2024 GSOO are modelled outcomes based on the most up to date, available data from industry but are subject to change.

## NEM Reform update

### Presentation summary

AEMO shared an update on the [NEM Reform Program](#), noting that three of its reform initiatives had been completed and implemented in 2023: Stand Alone Power Systems (SAPS), Fast Frequency Response (FFR), and increased Medium-Term Projected Assessment of System Adequacy Information (MT PASA). AEMO's delivery focus for 2024 will be on Integrating Energy Storage Systems (IESS), Frequency Performance Payments (FPP), Supervisory Control and Data Acquisition (SCADA) Lite, and Retail Market Improvements. Upcoming stakeholder meetings and engagements until July 2024 were also shared.

### Feedback and actions

Consumers asked if NEM reform initiatives could prevent or reduce unwanted and unforeseen load shedding instances from significant jumps in demand, for example in Queensland on 22 January 2024 when demand jumped 9.35%. AEMO said that these current NEM reform initiatives could not have mitigated that particular circumstance, but offered to continue the discussion offline on managing peak demand situations.

## Next Forum

- Upcoming Consumer Forums in 2024 are currently proposed for 13 June, 12 September, and November, with special sessions as required.
- Proposed agenda items for the June Consumer Forum include winter readiness, and an update on 2024/2026 ISP engagement. For September, proposed agenda items include AEMO's FY25 Corporate Plan and Priorities, 2024 Electricity Statement of Opportunities (ESOO), and a NEM Reform update.
- Participants are invited to fill in a [survey](#) to provide feedback and propose future topics.

## Contact

If you require more information, please email AEMO Stakeholder Engagement:  
[StakeholderRelations@aemo.com.au](mailto:StakeholderRelations@aemo.com.au).