

# Financial Consultation Committee FY23 Meeting #4

Please note that the information presented in this document was developed to enable discussion at the Finance Consultation Committee and is a draft subject to final review.

14 June 2023



We acknowledge the Traditional Owners of country throughout Australia and recognise their continuing connection to land, waters and culture.

**We pay respect to their Elders past, present and emerging.**

# Agenda



- Welcome
- Minutes, actions & timetable
- Submissions & feedback received on Draft FY24 Budget & Fees
- FCC member feedback on FY24 Budget & Fees process and FY25 planning
- Proposed timetable for FY24 meetings
- Wrap up

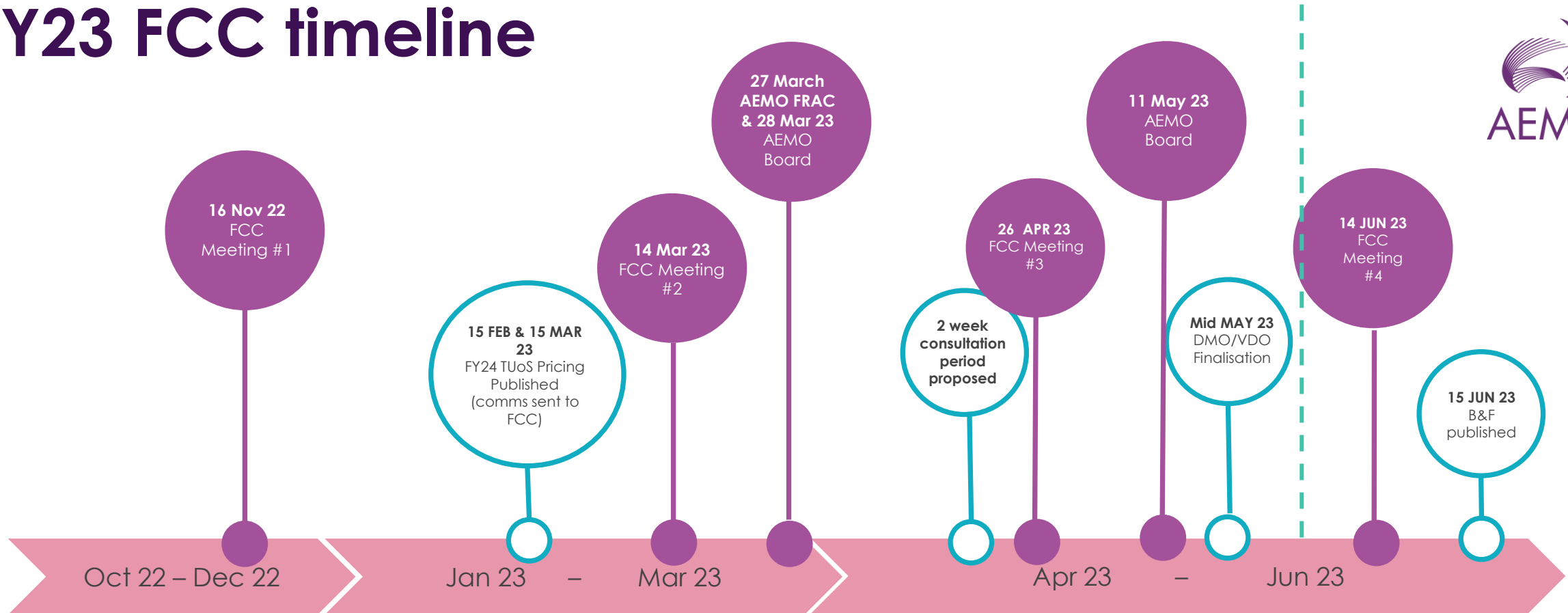
# Minutes



- Draft minutes from the April 2023 meeting have been circulated to members for any amendments.

#	Item	Responsibility	Due Date	Status
2023.3.1	Provide greater clarity on labour expenditure increases in FY24 and alignment to strategic outcomes outlined in Slide 13 of April 2023 FCC presentation materials.	AEMO	Before next meeting	Closed
2023.3.2	Provide additional information on the 2025 target of being capable of operating the grid in moments of 100% instantaneous renewables.	AEMO	Before next meeting	Closed
2023.3.3	Amend the Terms of Reference to clarify how vacancies are filled.	AEMO	Before next meeting	Closed, published

# FY23 FCC timeline



Meeting	#1 - Nov 2022	#2 - Mar 2023	#3 - Apr 2023	#4 - Jun 2023
<b>Focus areas</b>	<ul style="list-style-type: none"> <li>FY22 Results Update</li> <li>FY23 Budget Recap</li> <li>FY23 Forecast Update (3+9)</li> <li>Meeting Schedule and Focus Areas</li> <li>FCC Terms of Reference</li> </ul>	<ul style="list-style-type: none"> <li>Draft Strategy &amp; Corporate Plan Priority Areas</li> <li>FY23 Results &amp; Forecast (7+5)</li> <li>Preliminary draft Investment Plan</li> <li>Preliminary draft FY24 Budget</li> <li>NEM Deficit Recovery Update</li> </ul>	<ul style="list-style-type: none"> <li>Draft FY24 Budget &amp; forward plan</li> <li>Draft Tariff and Fees</li> <li>Initial public consultation feedback</li> </ul>	<ul style="list-style-type: none"> <li>Public consultation lessons learnt</li> <li>FCC Engagement Program reflections</li> </ul>

# Submissions & Feedback received on Draft FY24 Budget & Fees

# We have genuinely sought to provide more transparency and opportunity for feedback

- Consultation began ~5 weeks earlier
- Presented at AEMO consumer forum 20 April 2023
- Hosted a webinar 1 May (3 attendees of 11 registered)
- Offered a survey for ease of response (1 incomplete response)
- Sought other verbal feedback provided through discussions with participants and industry bodies.

**FY24 Budget & Fees website stats  
20 April – 4 May  
(consultation period)**

- 655 unique views of the pages
- 215 unique openings of the document

**But we acknowledge there is more we can do.**

# Two formal submissions



## Energy Networks Australia (ENA)

- Welcomed efforts to increase transparency and certainty on costs, through forums such as the Financial Consultative Committee (FCC) and the Reform Delivery Committee.
- Supports AEMO's strategic priorities.
- Encourages AEMO to continue to work with industry to identify and deliver cost savings.
- Welcomes consultation on the current and forecast year as well as a forward estimate in the annual consultation at the detailed fee level.
- Notes there is benefit in AEMO providing a consistent and complete budgeting document from one year to the next with at least a five-year budget/forecast and estimates by fee category.

A response was provided on 18 May 2023.

## Queensland Electricity Users Network (QEUN)

- Does not see AEMO as efficient and transparent and therefore stakeholder trust is absent. Seeks assurances around AEMO's ability to manage its finances given the deficit position.
- Sought clarity on annual costs of ISP over recent years.
- Urges AEMO to consider the broader impact of its costs on consumer bills as a result of secondary investment required by participants due to AEMO's work (e.g. industry costs for 5MS)
- Considers AEMO pursues its own agenda and does not sufficiently engage with stakeholders.
- Considers AEMO and industry does adequately fund energy consumer advocacy.

A response was provided on 29 May 2023.



# Next steps



- Publish on the website:
  - engagement plan
  - submissions (where publishable)
  - AEMO's responses
  - summary of AEMO's responses and intentions for FY25 process
  - approved FY24 Budget and Fees document.

# FCC member feedback on FY24 B&F process and FY25 B&F planning

# Proposed improvements to FY25 Budget & Fee process

- Bring budget process forward so that consultation can occur earlier
- Start the process with strategy and priorities, then target setting in advance of drafting the budget
- Map cost increases to Strategic outcomes
- Provide periodic progress updates against budget and project budgets and progress
- Provide a longer-term view (noting estimation uncertainty).



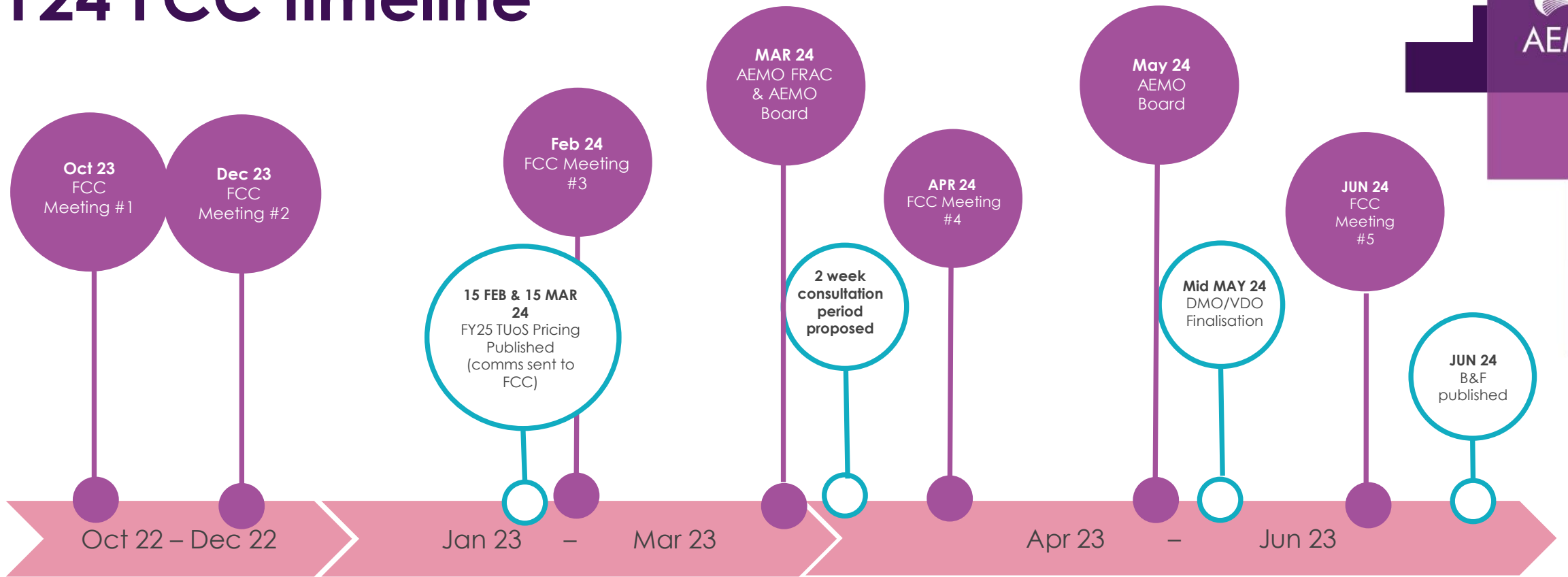
# FCC Member Feedback on FY24 process and opportunity for changes in FY25



## Other Feedback from Members

# Proposed Timetable for FY24 meetings

# FY24 FCC timeline



Meeting	#1 - Oct 2023	#2 - Dec 2023	#3 - Feb 2024	#4 - Apr 2024	#5 - Jun 2024
<b>Focus areas</b>	<ul style="list-style-type: none"> <li>FY23 Results Update</li> <li>FY24 Budget Recap</li> <li>FY24 Forecast</li> <li>DRAFT FY25 Strategy &amp; Initiatives</li> </ul>	<ul style="list-style-type: none"> <li>FY25 Target Setting                             <ul style="list-style-type: none"> <li>Opex by segment</li> <li>Investment</li> </ul> </li> <li>Fees by segment</li> <li>DRAFT TUoS Pricing</li> </ul>	<ul style="list-style-type: none"> <li>FY 24 Forecast</li> <li>Preliminary draft Investment Plan</li> <li>Preliminary draft FY25 Budget</li> <li>NEM Deficit Recovery Update</li> </ul>	<ul style="list-style-type: none"> <li>Draft FY25 Budget &amp; forward plan</li> <li>Draft Tariff and Fees</li> <li>Initial public consultation feedback</li> </ul>	<ul style="list-style-type: none"> <li>Public consultation lessons learnt</li> <li>FCC Engagement Program reflections</li> </ul>

# Any other business