# 2018-19 AEMO Final Budget and Fees

June 2018

Australian Energy Market Operator Limited

# Executive Summary

**Introduction**

The 2018-19 final budget provides a consolidated view of AEMO's 2018-19 revenue and expenses, fees for 2018-19 and estimates for the following four year period.

Energy **Security, Reliability** and **Affordability** for all Australians.

**The operating environment is changing and complexity is increasing that is driving a need for additional resources, particularly in the NEM.**

**Increased complexities of managing the grid day to day**

- Summer preparedness
- Operational forecasting
- RERT, frequency standards
- Training – Real Time Operations
- Strategic Reserves

**Managing the changing nature of generation**

- Integrated System Plan
- New connections
- Generator retirements
- Innovation - Proof of Concepts

**Modernising our markets**

- NEM 5 minute settlements
- Gas market reform
- GBB enhancements
- Western Power system transition and WA market reforms
- Market design enhancements

Cyber uplift and technology refresh
People and leadership development
Stakeholder communication

**The key points of the 2018-19 final budget are:**

- AEMO continues to prudently manage our costs. Historically this has resulted in fees reducing in real terms. However the environment is changing rapidly, resulting in the need for additional resources and investment.
- The National Electricity Market (NEM) fee is proposed to increase by 8% in 2018-19.
- The majority of gas market fees are stable or decreasing.
- AEMO confirms it is committed to continue to closely manage its costs and will continue to identify further opportunities for efficiencies.

## Final 2018-19 fees

### Table 1 — Fees

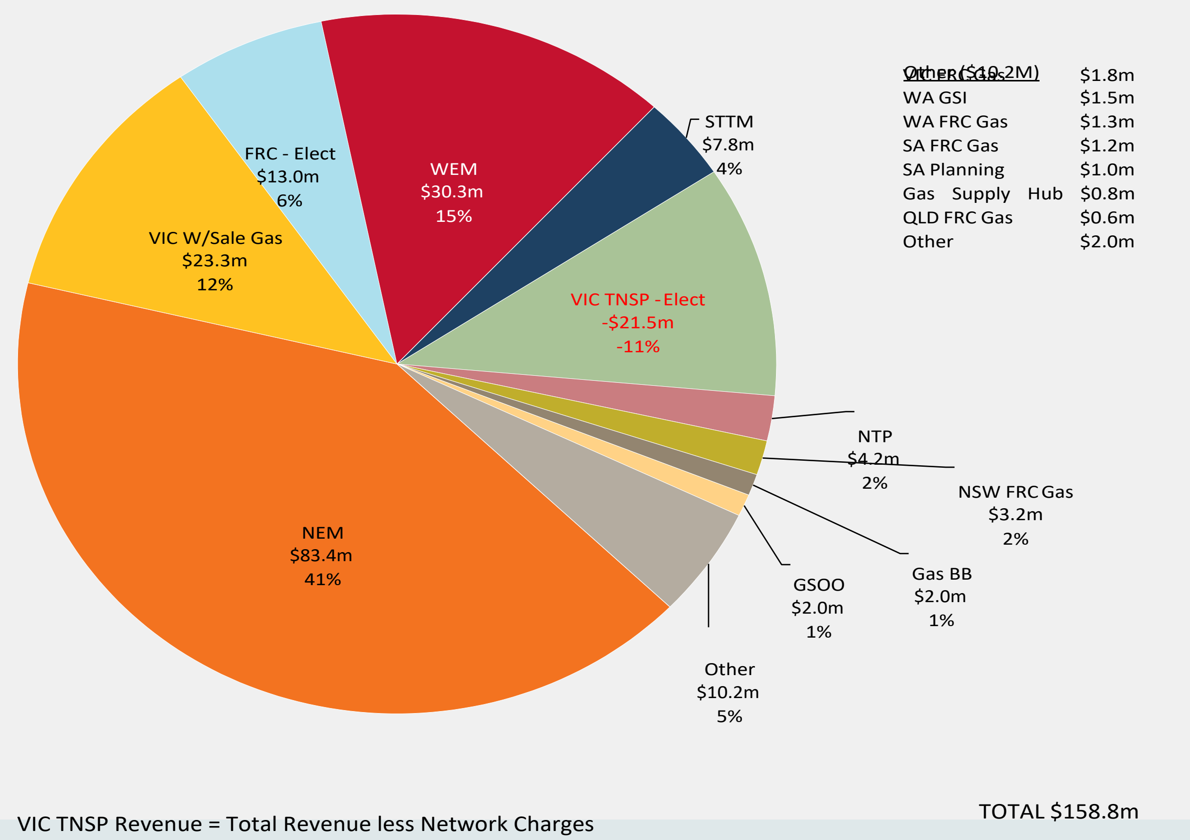
| Function | Budget 2018-19 | Current 2017-18 | Change | Key drivers of fee changes |
|---|---|---|---|---|
| **Electricity** | | | | |
| NEM ($/MWh) | 0.44 | 0.41 | 8% | Increased grid operation costs, managing changing nature of generation and modernising our markets. |
| FRC - Electricity ($/MWh) | 0.077 | 0.075 | 3% | To recover costs associated with the Power of Choice program. |
| National Transmission Planner ($/MWh) | 0.02339 | 0.02126 | 10% | Uplift in forecasting and planning and preparation of the Integrated System Plan (which incorporates the National Transmission Development Plan). |
| VIC TNSP - TUOS Fees ($'000) | 462,312 | 474,580 | -3% | Higher settlement residue revenue due to higher spot prices. |
| WA WEM Fee ($/MWh) | 0.833 | 0.791 | 5% | Increased fee due to lower energy consumption in 2017-18. Expenditure is in-line with WA Economic Regulatory Authority Allowable Revenue. |
| **Gas** | | | | |
| DWGM - Energy Tariff ($/GJ withdrawn) | 0.08459 | 0.08544 | -1% | |
| STTM - Activity Fee ($/GJ withdrawn) | 0.05192 | 0.06884 | -25% | Reduced costs due to market establishment assets being fully depreciated and funding being repaid. |
| VIC FRC Gas ($ per customer supply point per month) | 0.06893 | 0.08305 | -17% | Reduced fees due to higher than budget prior year revenues and stable operating costs. |
| QLD FRC Gas ($ per customer supply point per month) | 0.22256 | 0.22256 | 0% | |
| SA FRC Gas ($ per customer supply point per month) | 0.21484 | 0.22615 | -5% | |
| NSW & ACT FRC Gas ($ per customer supply point per month) | 0.16410 | 0.16918 | -3% | |
| WA FRC Gas ($ per customer supply point per month) | 0.13485 | 0.13485 | 0% | |
| Gas Statement of Opportunities ($ per customer supply point per month) | 0.03799 | 0.03518 | 8% | Uplift in gas forecasting focus and additional insights reports. |
| Gas Supply Hub - daily ($/GJ) | 0.03 | 0.03 | 0% | |
| Gas Supply Hub - weekly ($/GJ) | 0.02 | 0.02 | 0% | |
| Gas Supply Hub - monthly ($/GJ) | 0.01 | 0.01 | 0% | |
| Gas Bulletin Board ($'000) | 1,997 | 1,429 | 40% | Increased due to improvements in the GBB to enhance breadth and accuracy of information. |
| WA Gas Services Information ($'000) | 1,520 | 1,527 | 0% | |
| **Other** | | | | |
| SA Planning ($'000) | 1,000 | 1,000 | 0% | |
| Settlement Residue Auctions ($'000) | 295 | 295 | 0% | |
| **Fees collected on behalf of Energy Consumers Australia (ECA)** | | | | |
| ECA (Electricity) ($ per connection point for small customer per week) | 0.00985 | 0.00979 | 1% | |
| ECA (Gas) ($ per customer supply point per month) | 0.03547 | 0.03199 | 11% | |

## AEMO's revenue by function

AEMO operates 19 functions across electricity and gas. The chart below outlines the revenue to be collected in 2018-19 by function to recover our operating costs.

Our **largest function is our role in operating the grids and markets** (42% of total revenue excluding our Victorian TNSP role**) in the National Electricity Market.**

**Figure 1 – 2018-19 revenue by function**




## Financial Summary

The table below provides a financial summary of the final 2018-19 profit and loss, and accumulated surplus/ (deficit) position in comparison to the current budget 2017-18.

**Table 2 — Financial Summary**

| | AEMO (excl. Vic TNSP) | | | Victorian TNSP | | | TOTAL AEMO | | |
|---|---|---|---|---|---|---|---|---|---|
| | Budget 2017-18 $m | Budget 2018-19 $m | Variance $m | Budget 2017-18 $m | Budget 2018-19 $m | Variance $m | Budget 2017-18 $m | Budget 2018-19 $m | Variance $m |
| **NET REVENUE** | 175 | **180** | (5) | - | **(22)** | 22 | 175 | **159** | (16) |
| **OPERATING COSTS (excluding incremental RIT-T costs and new connections recoverable costs)** | 183 | **208** | (25) | 6 | **6** | - | 189 | **214** | (25) |
| **Incremental RIT-T costs and new connections recoverable costs** | - | **-** | - | - | **8** | 8 | - | **8** | 8 |
| **TOTAL OPERATING COSTS** | 183 | **208** | (25) | 6 | **14** | 8 | 189 | **222** | 33 |
| **ANNUAL SURPLUS / (DEFICIT)** | (8) | **(28)** | (20) | (6) | **(36)** | (30) | (14) | **(63)** | (49) |
| **Transfer (to)/from Reserves/Recoveries** | 3 | **5** | 2 | (4) | **(6)** | (2) | (1) | **(1)** | - |
| **Brought Forward Surplus** | 7 | **6** | (1) | 10 | **42** | 31 | 18 | **48** | 30 |
| **ACCUMULATED SURPLUS / (DEFICIT)** | 2 | **(16)** | (19) | - | **-** | - | 2 | **(16)** | (19) |

* The Budget 2017-18 column reflects the published annual budget plus a revision to budgeted costs. Market fees however have been calculated based on the costs from the published annual budget to reflect consistency.

# Contact for inquiries

**AEMO contact for inquiries**

For all queries on budget and fees, please contact:

Ms Sandra Chui
Group Manager Finance and Procurement
(03) 9609 8623
Sandra.chui@aemo.com.au

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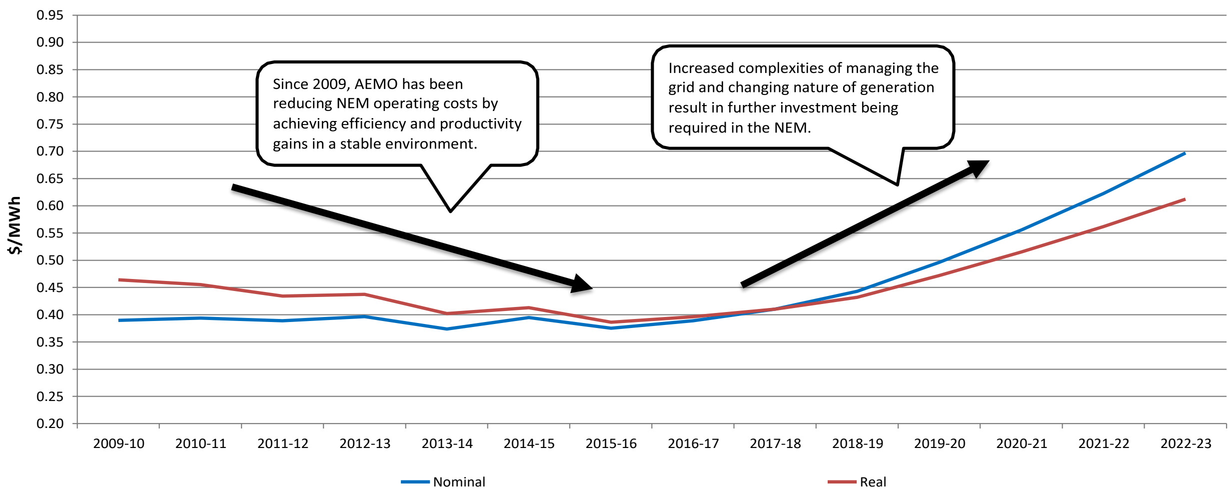
# 1. Fees

## 1.1 National Electricity Market

| | |
|---|---|
| Purpose of this function | • Power system security and reliability<br>• Market operations and systems<br>• Wholesale metering, settlements and prudential supervision.<br>• Longer term energy forecasting and planning services<br>(for the eastern and southern Australian states.) |
| The changing energy environment and impact | Since the inception of AEMO in 2009, the NEM fee has decreased in real terms, as AEMO has applied strong commercial discipline in managing its costs.<br>The changing energy environment is resulting in additional resources and investment being needed to manage:<br>• Increased complexities of managing the grid day to day<br>• Changing nature of generation resulting in planning and forecasting becoming more complex<br>• Modernising our future markets and systems to be fit for purpose<br>• Uplifting our cyber security practices to manage business risk |
| Fees | The current NEM fee is $0.41/MWh.<br>The final NEM fee for 2018-19 is $0.44/MWh (+8%). The fee is then estimated to increase to 12% for each of the forward 4 years.<br>The 8%+ increases proposed for the NEM in 2018-19 and forward years reflect AEMO recovering the additional costs from participants over a five year period to reduce fee volatility to participants. |

**Figure 2 – NEM projected fees**




Real values are the nominal amounts adjusted for inflation. Prices have been calculated relative to the 2017-18 price.

| | |
|---|---|
| Other notes | In-line with the National Electricity Rules, PCF fees will be charged to the value of $1m in 2018-19. |

**Table 3 — NEM projected fees (indicative benchmark))**

| Fee | Actual 2017-18 | Budget 2018-19 | Estimate 2019-20 | Estimate 2020-21 | Estimate 2021-22 | Estimate 2022-23 |
|---|---|---|---|---|---|---|
| NEM fee ($/MW·h) | 0.41 | 0.44<br>+8% | 0.50<br>+12% | 0.56<br>+12% | 0.62<br>+12% | 0.70<br>+12% |

### 1.1.1 NEM energy consumption

The budgeted consumption for 2018-19 is based on available data estimates used in the 2018 National Electricity Forecast Report (NEFR).

The 2018-19 consumption is expected to decrease then flatten in the forward years mainly due to increased solar PV uptake and energy efficiency being offset by population growth.

For market customers, our **NEM fee methodology** levies fees on a **$ per MWh consumption basis**. An energy forecast is factored into the calculation of the AEMO fees. For generators, our **NEM fee methodology** levies fees on a **$ per day** based on capacity and energy produced**.**

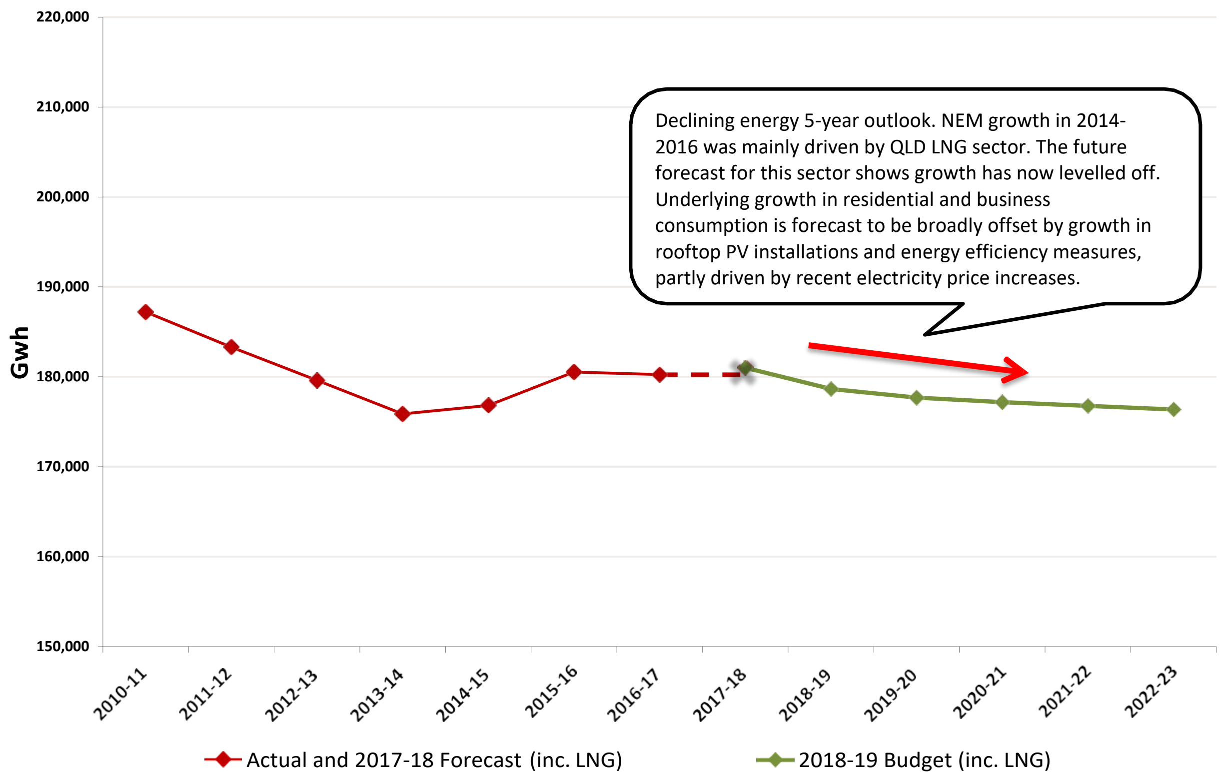
**Table 4 — NEM consumption**

| GWh | Budget 2017-18 | Forecast [1] 2017-18 | Budget 2018-19 | Estimate 2019-20 | Estimate 2020-21 | Estimate 2021-22 | Estimate 2022-23 |
|---|---|---|---|---|---|---|---|
| NEM | 181,895 | 181,009<br>-0.5% | 178,650<br>-1.8% | 177,673<br>-0.5% | 177,187<br>-0.3% | 176,755<br>-0.2% | 176,359<br>-0.2% |

[1] Forecast annual 2017-18 consumption as at April 2018.

Figure 3 below demonstrates the forecast energy consumption used to calculate the NEM fee.

**Figure 3 – Annual electricity consumption (market customer load)**



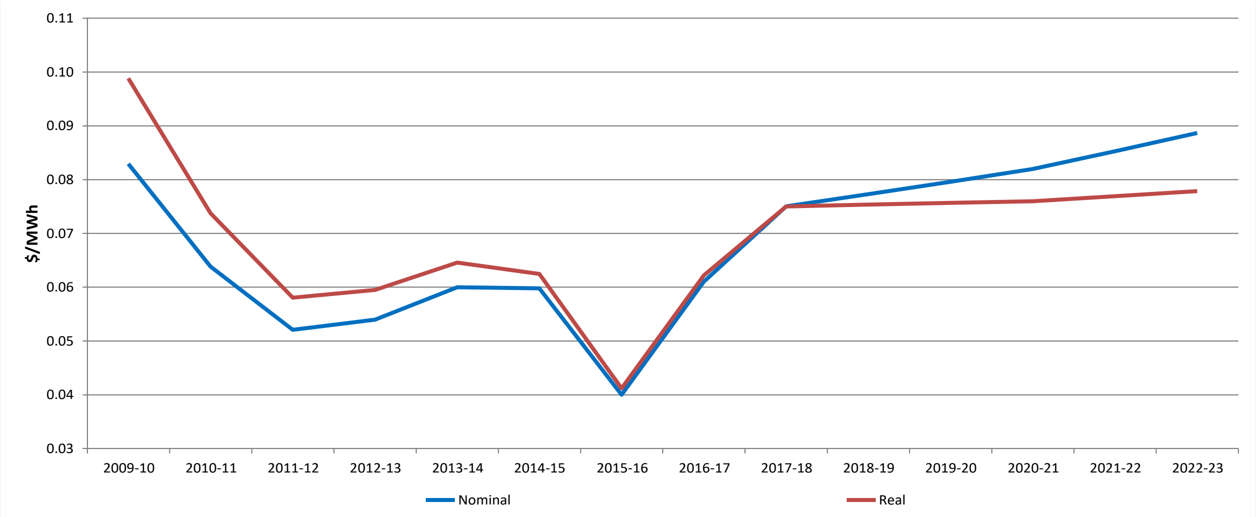
## 1.2 Full Retail Contestability (FRC) Electricity

| | |
|---|---|
| Purpose of this function | To facilitate retail market competition in the east coast and southern states of Australia by managing and supporting:<br>• Data for settlement purposes<br>• Customer transfers<br>• Business to business processes<br>• Market procedure changes |
| Fees | The current FRC Electricity fee is \$0.075/MWh.<br>This fee will increase to \$0.077/MWh in 2018-19 (3% higher than 2017-18). |
| Other notes | The Power of Choice program was successfully completed in December 2017. The project costs will be amortised over a five year period and have been incorporated into the projected fees.<br>In accordance with AEMO's current electricity fee methodology, from 1 July 2016 to 30 June 2019, fees are collected on the current MWh energy consumed basis. From 1 July 2019, fees will be collected on a per connection point basis. For forward budget estimates from 2019-20 to 2022-23 please note the MWh basis has continued to be used to demonstrate the fee trend % for forward years only. |

**Table 5 — FRC Electricity Projected Fees**

| Fee | Actual 2017-18 | Budget 2018-19 | Estimate 2019-20 | Estimate 2020-21 | Estimate 2021-22 | Estimate 2022-23 |
|---|---|---|---|---|---|---|
| (\$/MW·h) | 0.075 | 0.077<br>+3% | 0.080<br>+3% | 0.082<br>+3% | 0.085<br>+4% | 0.089<br>+4% |

**Figure 4 – FRC electricity projected fees**




Real values are the nominal amounts adjusted for inflation. Prices have been calculated relative to the 2017–18 price.

## 1.3 National Transmission Planner (NTP)

| | |
|---|---|
| Purpose of this function | • Delivering the annual National Transmission Network Development Plan (NTNDP).<br>• Other activities involve preparing the Independent Planning Reports for New South Wales, Tasmania and Queensland, Connection Point Forecasts and work on the Network Capability Incentive Performance process. |
| Fees | The current NTP fee is $0.02126/MWh.<br>This fee will increase to $0.02339 in 2018-19 (10% higher than 2017-18).<br>This increase next year and future years reflects additional resources and investment to uplift forecasting and planning and preparation of the Integrated System Plan (which incorporates the National Transmission Development Plan). |

**Table 6 — National Transmission Planner Project Fees**

| Fee | Actual 2017-18 | Budget 2018-19 | Estimate 2019-20 | Estimate 2020-21 | Estimate 2021-22 | Estimate 2022-23 |
|---|---|---|---|---|---|---|
| ($/MW·h) | 0.02126 | 0.02339<br>+10% | 0.02502<br>+7% | 0.02677<br>+7% | 0.02865<br>+7% | 0.03065<br>+7% |

## 1.4 Victorian Electricity Transmission Network Service Provider (TNSP)

| | |
|---|---|
| Purpose of this function | • AEMO provides shared transmission network services to users of the Victorian Transmission System (DTS).<br>• These services include the planning of future requirements and procuring of augmentations in the DTS. |
| Fees | Transmission Use of System (TUOS) fees are calculated on an annual break-even basis and are predominately influenced by network charges billed by the Victorian electricity transmission network owners and by estimations of settlement residue receipts.<br>The 2018-19 fees are 3% lower than the 2017-18 fees mainly due to returning a current surplus as a result of higher settlement residue revenue.<br>Forward year estimates have not been made due to the volatility of the factors listed above. |

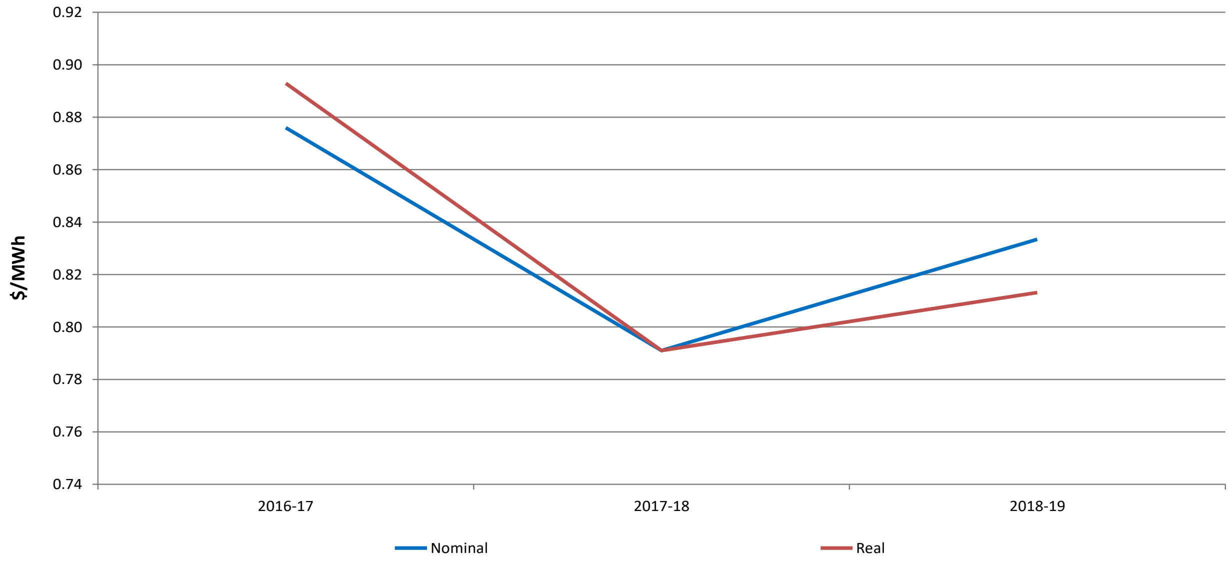
**Table 7 — Projected TUOS Revenue Requirement**

| Fee | Actual 2017-18 ($'000) | Budget 2018-19 ($'000) | Estimate 2019-20 ($'000) | Estimate 2020-21 ($'000) | Estimate 2021-22 ($'000) | Estimate 2022-23 ($'000) |
|---|---|---|---|---|---|---|
| TUOS fees | 474,580<br>-4% | 462,312<br>-3% | TBC | TBC | TBC | TBC |

## 1.5 Western Australia Wholesale Electricity Market (WEM)

| | |
|---|---|
| Purpose of this function | • Power system security and reliability<br>• Market operations and systems<br>• Wholesale metering, settlements and prudential supervision<br>• Longer term energy forecasting and planning services<br>(for the South West Interconnected System of Western Australia.) |
| Fees | The current WEM fee is $0.791/MWh.<br>This fee will increase to $0.833 (+5%) in 2018-19 mainly due to an under recovery in the current year as a result of lower than expected energy consumption. |

**Figure 5 – WEM fees in real and nominal terms**




| | |
|---|---|
| Other notes | Under the Market Rules, AEMO is required to seek pre-approval from the WA Economic Regulatory Authority (ERA) for future budgeted spend in the WEM for both operating costs and capital costs. The current three year ERA allowable revenue determination period will expire at 30 June 2019.<br>AEMO will be required to lodge a new submission for the periods from 2019-20 to 2021-22 by 31 March 2019. The WEM fee for 2018-19 and forward three years is expected to increase due to the WA Market Reform program. |

**Table 8 — WA WEM fees**

| Fee | Actual 2017-18 | Budget 2018-19 | Estimate 2019-20 | Estimate 2020-21 | Estimate 2021-22 |
|---|---|---|---|---|---|
| WEM Market Operator fee ($/MW·h) | 0.357 | 0.350<br>-2% | TBC | TBC | TBC |
| WEM System Management fee ($/MW·h) | 0.434 | 0.484<br>+11% | TBC | TBC | TBC |
| WEM fee ($/MW·h) | 0.791 | 0.833<br>+5% | TBC | TBC | TBC |
| WEM fee (indicative benchmark) [1] ($/MW·h) | 1.583 | 1.667 | TBC | TBC | TBC |

[1] The fee listed above is a benchmark fee calculated by dividing the total cost of the WEM functions by the total forecast consumption. The actual fee charged to both Market Customers and Generators is $0.350/MWh and 0.484/MWh for the Market Operations and System Management functions respectively.

### 1.5.1 WEM energy consumption

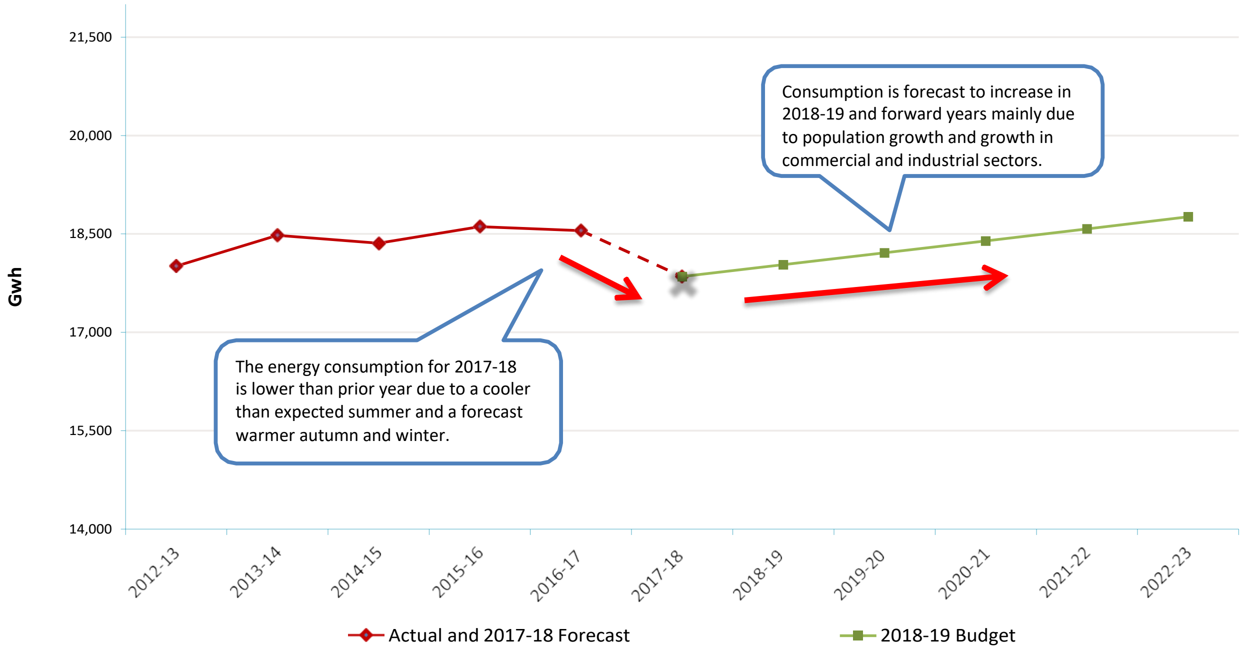
The budgeted consumption for 2018-19 is mainly based on data estimates used in the WA 2017 GSOO and a historical average annual trend to reduce the volatility in fees. Consumption is expected to increase slightly in 2018-19 and forward years mainly due to population, commercial and industrial sectors growth.

**Table 9 — WEM consumption**

| GWh | Budget 2017-18 | Forecast 2017-18 | Budget 2018-19 | Estimate 2019-20 | Estimate 2020-21 | Estimate 2021-22 | Estimate 2022-23 |
|---|---|---|---|---|---|---|---|
| Load forecast | 18,826 | 17,850<br>-5.2% | 18,029<br>-4% | 18,209<br>+1.0% | 18,391<br>+1.0% | 18,575<br>+1.0% | 18,761<br>+1.0% |

Figure 3 below demonstrates the forecast energy consumption used to calculate the WEM fee.

**Figure 6 – WA annual electricity consumption**




## 1.6 Declared Wholesale Gas Market (DWGM)

| | |
|---|---|
| Purpose of this function | To enable competitive dynamic trading based on injections and withdrawals from the transmission system that links producers, major users and retailers.<br>This market provides the following broad services:<br>• Gas system security, market operations and systems.<br>• Gas system reliability and planning.<br>• Wholesale metering and settlements.<br>• Prudential management. |
| Fees | **Energy tariff**<br>The current energy tariff is $0.08544/GJ.<br>This fee will decrease to $0.08459/GJ in 2018-19 (1% lower than 2017-18) mainly due to carried forward surpluses as a result of higher than expected energy consumption. |

### Distribution meter fee

The distribution meter fee is paid by each market participant who is connected to a Declared Distribution System, or whose customers are connected to a Declared Distribution System, at a connection point at which there is an interval metering installation.

The distribution meter fee relates to metering data services and is expected to increase to $1.485/per meter per day in 2018-19. The 2017-18 fee was temporarily lowered to return a surplus from previous years.

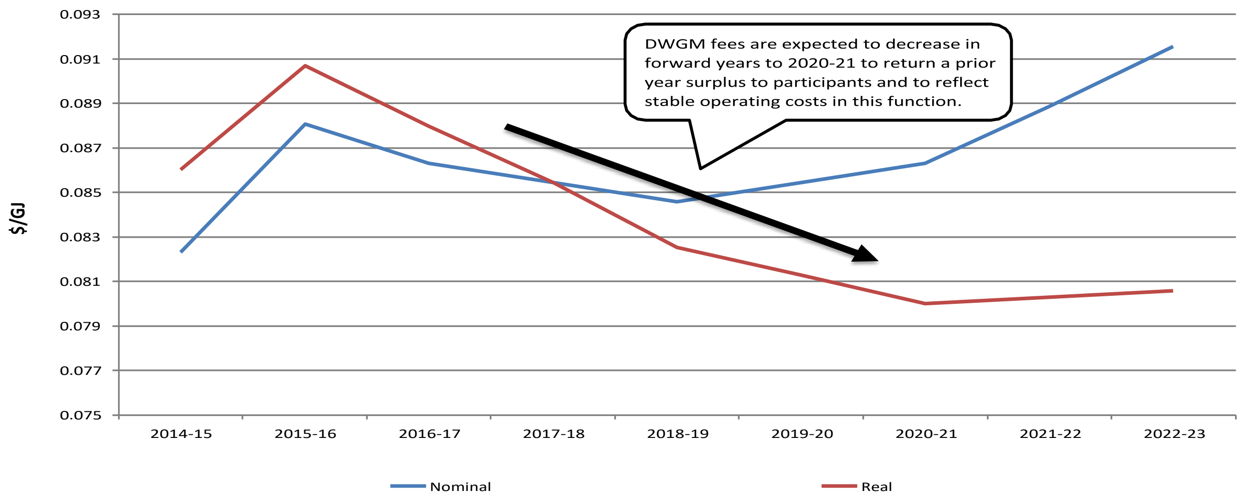
### Participant Compensation Fund

The Participant Compensation Fund fee is not required to be charged in 2018-19 as the current level of DWGM PCF funds being held meets the Rules requirement. Estimates of future PCF fees are not provided as they are mainly impacted by future events that may arise from time to time.

**Table 10 — Projected DWGM fees**

| Fee | Actual 2017-18 | Budget 2018-19 | Estimate 2019-20 | Estimate 2020-21 | Estimate 2021-22 | Estimate 2022-23 |
|---|---|---|---|---|---|---|
| Energy Tariff ($/GJ) | 0.08544<br>-1% | 0.08459<br>-1% | 0.08544<br>+1% | 0.08629<br>+1% | 0.08888<br>+3% | 0.09155<br>+3% |
| Distribution Meter ($/day per meter) | 1.16350<br>-15% | 1.48584<br>+28% | 1.38950<br>-6% | 1.42330<br>+2% | 1.46593<br>+3% | 1.50572<br>+3% |
| PCF Fee ($/GJ) | 0 | 0 | TBC | TBC | TBC | TBC |

**Figure 7 – Projected DWGM fees trend in nominal and real terms**




Real values are the nominal amounts adjusted for inflation. Prices have been calculated relative to the 2017–18 price.

## 1.6.1 DWGM energy consumption

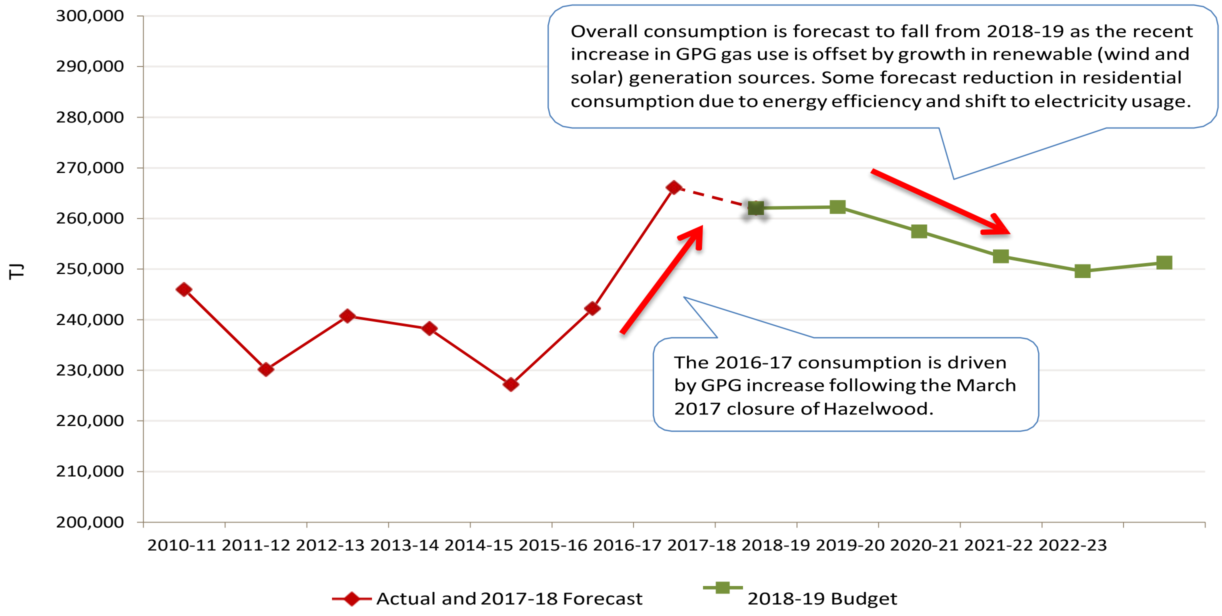
The budgeted consumption for 2018-19 and forward years is based on data estimates used in the September 2017 Gas Statement of Opportunities. Consumption in DWGM is forecast to fall from 2018-19 as the recent increase in GPG is offset by growth in renewable (wind and solar) generation sources. Residential consumption is also forecast to decline slightly due to energy efficiency and shift to electricity usage.

### Table 11 — DWGM energy consumption

| TJs | Budget 2017-18 | Forecast [1] 2017-18 | Budget 2018-19 | Estimate 2019-20 | Estimate 2020-21 | Estimate 2021-22 | Estimate 2022-23 |
|---|---|---|---|---|---|---|---|
| Domestic | 127,045 | 129,338 | 129,287 | 129,344 | 129,136 | 128,720 | 128,346 |
| Industrial | 68,355 | 68,092 | 68,220 | 67,917 | 67,947 | 67,028 | 66,712 |
| Export | 58,660 | 49,692 | 47,825 | 47,825 | 47,825 | 47,825 | 47,825 |
| GPG | 4,857 | 14,911 | 16,906 | 12,348 | 7,597 | 5,991 | 8,360 |
| **TOTAL** | **258,917** | **262,032** | **262,238** | **257,434** | **252,504** | **249,563** | **251,243** |
| | | +1.2% | +1.3% | -1.8% | -1.9% | -1.2% | +0.7% |

[1] Forecast annual 2018-19 consumption as at April 2018.

### Figure 8 – DWGM energy consumption



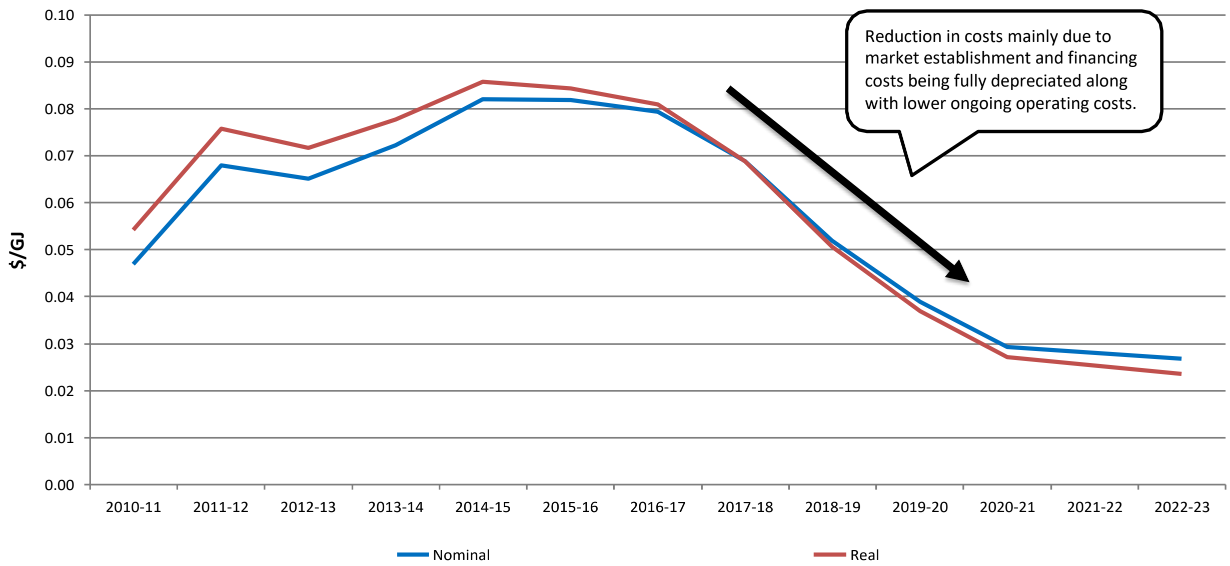

## 1.7 Short Term Trading Market (STTM)

| | |
|---|---|
| Purpose of this function | The purpose of the STTM is to enable a wholesale market gas balancing mechanism at the gas hubs – Sydney, Adelaide and Brisbane.<br>The market is a day ahead market for each hub, and the market sets a daily market price.<br>The STTM function provides the following broad services:<br>• Market operations and systems<br>• Market Operator Service (MOS) – AEMO recovers the pipeline operators' service costs for their portion of operating costs in relation to the STTM and recovers this from participants.<br>• Wholesale metering and settlements<br>• Prudentials management. |
| Fees | The current STTM fee is $0.06884/GJ.<br>This fee will decrease to $0.05192/GJ in 2018-19 (a 25% decrease from 2017-18 and a further 2 years) due to market establishment and financing costs being fully depreciated along with lower ongoing operational costs. |

**Table 12 — Projected STTM fees**

| Fee | Actual 2017-18 | Budget 2018-19 | Estimate 2019-20 | Estimate 2020-21 | Estimate 2021-22 | Estimate 2022-23 |
|---|---|---|---|---|---|---|
| Activity Fee ($/GJ withdrawn) | 0.06884 -13% | 0.05192 -25% | 0.03895 -25% | 0.02928 -25% | 0.02804 -4% | 0.02686 -4% |
| PCF Fee - Syd ($/GJ withdrawn per hub per ABN) | 0 | 0 | TBC | TBC | TBC | TBC |
| PCF Fee - Adel ($/GJ withdrawn per hub per ABN) | 0 | 0 | TBC | TBC | TBC | TBC |
| PCF Fee - Bris ($/GJ withdrawn per hub per ABN) | 0 | 0 | TBC | TBC | TBC | TBC |

**Figure 9 – Projected STTM fees trend in nominal and real terms**




## 1.7.1 STTM energy consumption

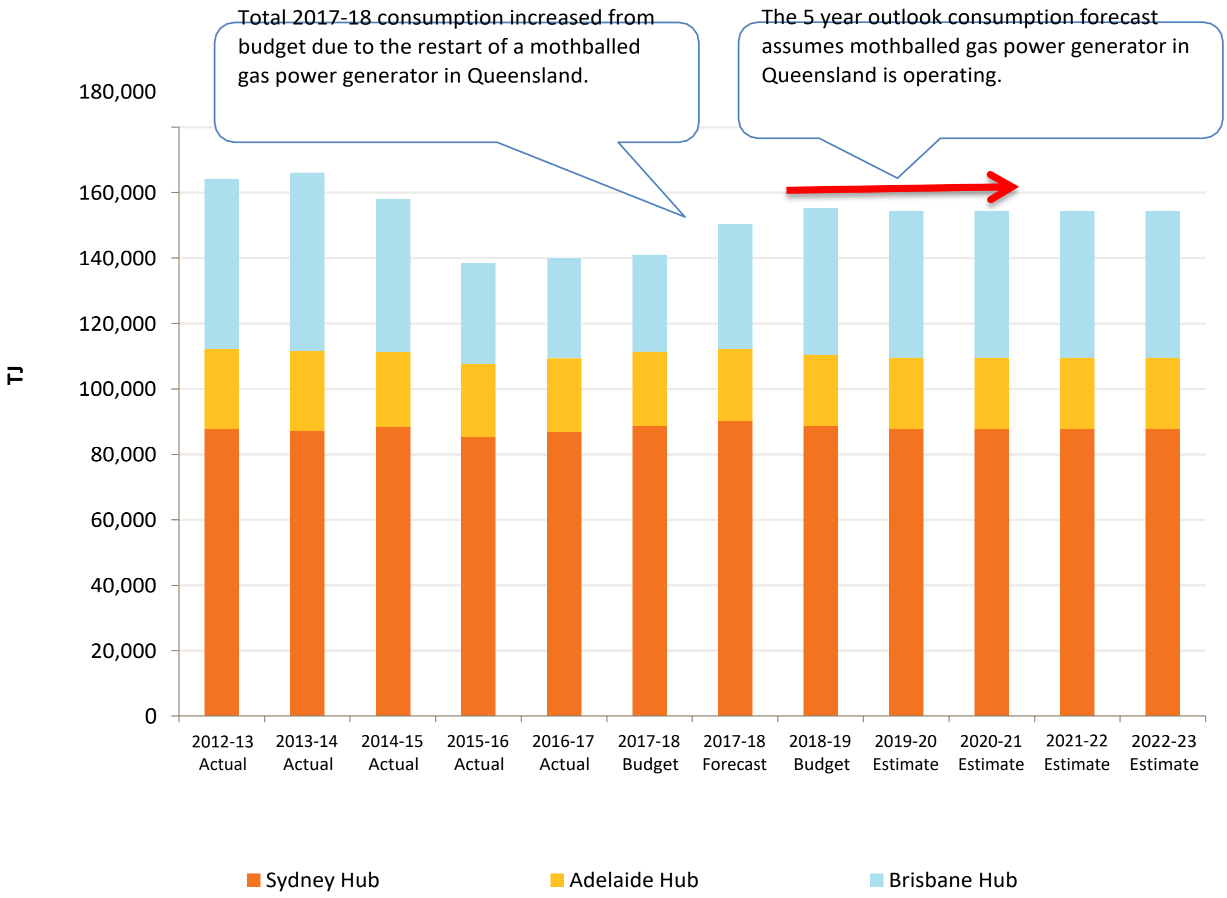
STTM energy consumption is forecast in 2017-18 to increase due to the restart of the mothballed Swanbank E GPG in Queensland (Brisbane hub). This trend is expected to continue into future years. Meanwhile the Adelaide and Sydney hub is forecast to decline slightly in 2018-19 due to lower industrial energy forecast.

**Table 13 — STTM energy consumption**

| TJs | Budget 2017-18 | Forecast [1] 2017-18 | Budget 2018-19 | Estimate 2019-20 | Estimate 2020-21 | Estimate 2021-22 | Estimate 2022-23 |
|---|---|---|---|---|---|---|---|
| Adelaide | 22,576 | 21,966 | 21,924 | 21,793 | 21,793 | 21,793 | 21,793 |
| Brisbane | 29,584 | 38,157 | 44,671 | 44,671 | 44,671 | 44,671 | 44,671 |
| Sydney | 88,842 | 90,318 | 88,640 | 87,899 | 87,812 | 87,832 | 87,832 |
| **TOTAL** | **141,002** | **150,442** | **155,234** | **154,362** | **154,275** | **154,296** | **154,296** |
| | | +6.7% | 10.1% | -0.6% | -0.1% | +0.0% | +0.0% |

1 Forecast annual 2018-19 consumption as at April 2018.

**Figure 10 – STTM energy consumption**




## 1.8 FRC Gas Markets

| | |
|---|---|
| Purpose of these functions | AEMO operates FRC gas markets in Victoria, Queensland, South Australia, New South Wales and Western Australia.<br>The purpose of the FRC gas markets are to provide the services and infrastructure to allow gas consumers to choose their retailer while also providing the business to business interactions to support efficient operation of the market.<br>The following broad services are provided:<br>• Support retail market functions and customer transfers<br>• Manage data for settlement purposes<br>• Implement market procedure changes<br>• Operate the central IT systems that facilitate retail market services. |

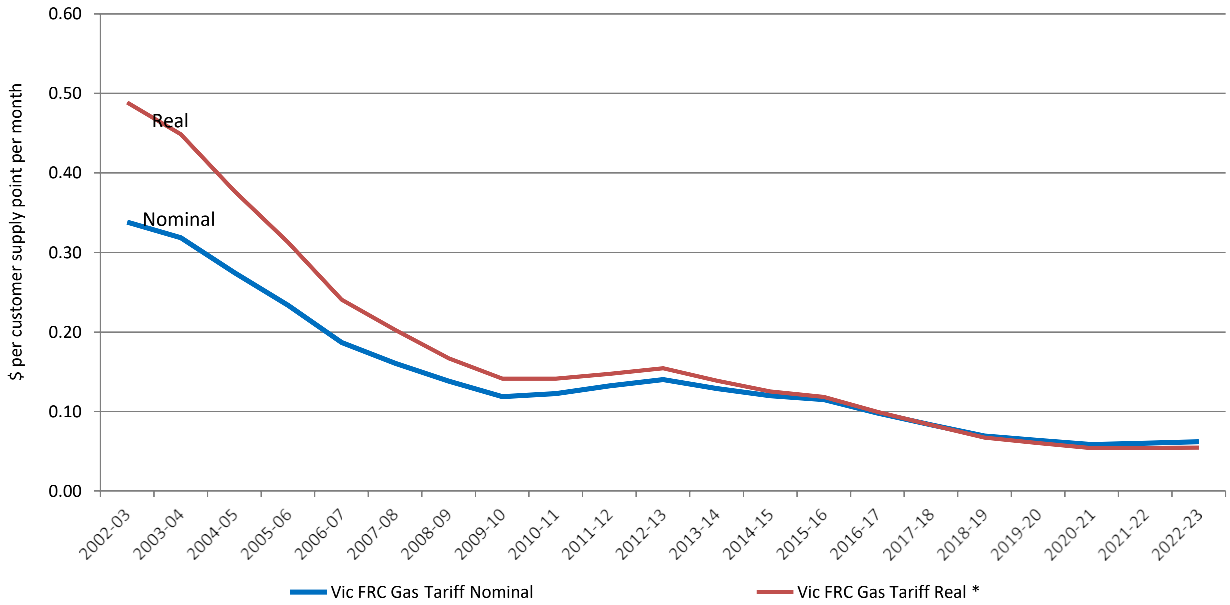
### 1.8.1 Victorian FRC Gas

| | |
|---|---|
| Fees | The current Victorian FRC Gas fee is $0.08305 per customer supply point/month.<br>This fee will decrease to $0.06893 (a 17% decrease) in 2018-19. The fee is then projected to decrease in the following two years before slightly increasing.<br>The operating costs are stable in this function. |

**Table 14 — Projected Victorian FRC gas fees**

| Fee | Actual 2017-18 | Budget 2018-19 | Estimate 2019-20 | Estimate 2020-21 | Estimate 2021-22 | Estimate 2022-23 |
|---|---|---|---|---|---|---|
| FRC Gas Tariff | 0.08305 | 0.06893 | 0.06342 | 0.05835 | 0.06010 | 0.06190 |
| ($ per customer supply point per month) | -15% | -17% | -8% | -8% | +3% | +3% |
| Initial Registration Fee | 5,760 | 5,760 | TBC | TBC | TBC | TBC |
| ($ per participant) | +0% | +0% | | | | |

**Figure 11 – Projected Victorian FRC gas fees**




Real values are the nominal amounts adjusted for inflation. Prices have been calculated relative to the 2017–18 price.

### 1.8.2 Queensland FRC Gas

| | |
|---|---|
| Fees | The current Queensland FRC Gas fee is $0.22256 per customer supply point/month.<br>This fee will remain the same in 2018-19 to a return prior year surplus. The fee is then expected to increase in the following years after the return of the surplus to reflect a conservative forecast of customer supply points coupled with CPI increase in operational costs. |

**Table 15 — Projected Queensland FRC gas fees**

| Fee | Actual 2017-18 | Budget 2018-19 | Estimate 2019-20 | Estimate 2020-21 | Estimate 2021-22 | Estimate 2022-23 |
|---|---|---|---|---|---|---|
| FRC Fee | 0.22256 | 0.22256 | 0.24482 | 0.26930 | 0.29623 | 0.32585 |
| ($ per customer supply point per month) | -15% | +0% | +10% | +10% | +10% | +10% |
| Initial Registration Fee | 5,760 | 5,760 | TBC | TBC | TBC | TBC |
| ($ per participant) | +0% | +0% | | | | |

### 1.8.3 South Australia FRC Gas

| | |
|---|---|
| Fees | The current South Australian FRC Gas fee is $0.22615 per customer supply point/month.<br>This fee will decrease to 0.21484 or by -5% in 2018-19. The fee is then expected to decrease in the following two years to fully return the surplus.<br>The operating costs are stable in this function. |

**Table 16 — Projected South Australia FRC gas fees**

| Fee | Actual 2017-18 | Budget 2018-19 | Estimate 2019-20 | Estimate 2020-21 | Estimate 2021-22 | Estimate 2022-23 |
|---|---|---|---|---|---|---|
| FRC Fee<br>($ per customer supply point per month) | 0.22615<br>-13% | 0.21484<br>-5% | 0.20410<br>-5% | 0.19390<br>-5% | 0.19390<br>+0% | 0.19390<br>+0% |
| Init ial Regist rat ion Fee<br>($ per part icipant ) | 11,300<br>+0% | 11,300<br>+0% | T BC | T BC | T BC | T BC |

## 1.8.4 New South Wales (NSW) FRC Gas

| | |
|---|---|
| Fees | The current NSW FRC Gas fee is $0.16918 per customer supply point/month.<br>This fee will decrease to 0.16410 or by -3% in 2018-19 and will continue to decrease in future years due to lower operating costs in this function. |

**Table 17 — Projected NSW FRC gas fees**

| Fee | Actual 2017-18 | Budget 2018-19 | Estimate 2019-20 | Estimate 2020-21 | Estimate 2021-22 | Estimate 2022-23 |
|---|---|---|---|---|---|---|
| FRC fee<br>($ per customer supply point per month) | 0.16918<br>+1% | 0.16410<br>-3% | 0.15754<br>-4% | 0.15124<br>-4% | 0.14519<br>-4% | 0.14519<br>+0% |

## 1.8.5 Western Australia (WA) FRC Gas

| | |
|---|---|
| Fees | The fees for the 2018-19 will remain consistent with 2017-18 fee levels. |

**Table 18 — Projected WA FRC gas fees**

| Fee | | Actual 2017-18 | Budget 2018-19 |
|---|---|---|---|
| Market Share Charges | $ per customer per month | 0.13485 | 0.13485 |
| Registration Fee | Member | 12,951 | 12,951 |
| | Associate Member | 2,590 | 2,590 |
| Annual Fee | Member | 19,905 | 19,905 |
| | Associate Member | 3,881 | 3,881 |

# 1.9 Eastern and South Eastern Gas Statement of Opportunity (GSOO)

| | |
|---|---|
| Purpose of this function | The purpose of the GSOO is to report the supply adequacy of eastern and south-eastern Australian gas markets to meet energy needs. AEMO publishes reports on demand and supply, and delivery constraints projected for the next 20 years.<br>Retailers across the FRC gas market jurisdictions are currently charged for GSOO costs at a flat rate per customer supply point. |
| Fees | The current GSOO fee is $0.03518 per customer supply point/month.<br>This fee will increase to 0.03799 or by +8% in 2018-19 and in future years due to additional work on the National Gas Forecasting Report (NGFR) and uplift in long term forecasting capability and additional insight reports to stakeholders. |

**Table 19 — Projected GSOO fees**

| Fee | Actual 2017-18 | Budget 2018-19 | Estimate 2019-20 | Estimate 2020-21 | Estimate 2021-22 | Estimate 2022-23 |
|---|---|---|---|---|---|---|
| Gas Statement of Opportunities ($ per customer supply point per month) | 0.03518<br>+10% | 0.03799<br>+8% | 0.04179<br>+10% | 0.04597<br>+10% | 0.04735<br>+3% | 0.04877<br>+3% |

## 1.10 Gas Supply Hub (GSH)

| | |
|---|---|
| Purpose of this function | AEMO implemented a Gas Supply Hub (GSH) at Wallumbilla in March 2014, at the request of the Government.<br>The GSH provides an exchange for the wholesale trading of natural gas to enable improved wholesale trading for an east coast gas market affected by significant liquefied natural gas (LNG) exports in Queensland. Through an electronic platform, GSH participants can trade standardised, short-term physical gas products at each of the three foundation pipelines connecting at Wallumbilla.<br>AEMO centrally settles transactions, manages prudential requirements and provides reports to assist participants in managing their portfolio and gas delivery obligations.<br>In June 2016 a trading location at Moomba was established.<br>In March 2017 the three trading locations at Wallumbilla were replaced with a single Wallumbilla location, through what is known as the Optional Hub Services (OHS) model. |
| Fees | Fees are determined outside of AEMO's budget and fee setting process, and is set within the Gas Supply Hub exchange agreement with consultation with stakeholders when changes are made.<br>The GSH fee schedule is included in this report for information purposes. |

**Table 20 — Projected GSH fees**

| Fee | | Actual 2017-18 | Budget 2018-19 |
|---|---|---|---|
| Trading participants | Fixed Fee - one licence per annum | 12,000 | 12,000 |
| | Fixed Fee - additional licence per annum | 12,000 | 12,000 |
| | Variable transaction fee | | |
| | - Daily product fee ($/GJ) | 0.03 | 0.03 |
| | - Weekly product fee ($/GJ) | 0.02 | 0.02 |
| | - Monthly product fee ($/GJ) | 0.01 | 0.01 |
| Reallocation participants | Fixed fee per annum | 9,000 | 9,000 |
| Viewing participants | Fixed fee per annum | 3,600 | 3,600 |

## 1.11 Gas Bulletin Board (GBB)

| | |
|---|---|
| Purpose of this function | The Gas Bulletin Board (GBB) is a communications system that provides information relating to gas production, transmission, storage and usage for facilities that are connected to the east coast gas market.<br>GBB provides market participants timely data to assist in decision making. This includes capacity outlooks, nominations and forecasts, actual flows, linepack adequacy, additional information for maintenance planning. |
| Fees | The current recovery costs for the GBB is $1.4m. |

| | |
|---|---|
| | This fee is proposed to increase to $2.0m or by +40% in 2018-19 to reflect additional investment that will enhance the breadth and accuracy of information provided to the market. |
| Other notes | A review of the structure of all gas fees has recently been completed. As a result, from 1 July 2018, GBB fees will be levied as follows:<br>• 50% to producers based on a flat rate ($ per gigajoule) based on actual quantities of gas produced<br>• 50% to participants in wholesale gas markets based on a flat rate ($ per gigajoule) for gas withdrawn from the Victorian Declared Transmission System or the STTM hubs. |

**Table 21 — Projected GBB fees**

| Fee | Budget 2018-19 ($'000) |
|---|---|
| Producer ($/GJ) | 0.0005 |
| Participants in Wholesale Gas Market ($/GJ) | 0.0025 |

**Table 22 — Projected GBB costs to be recovered**

| Fee | Actual 2017-18 ($'000) | Budget 2018-19 ($'000) | Estimate 2019-20 ($'000) | Estimate 2020-21 ($'000) | Estimate 2021-22 ($'000) | Estimate 2022-23 ($'000) |
|---|---|---|---|---|---|---|
| Gas Bulletin Board | 1,429 | 1,997 | 2,196 | 2,416 | 2,126 | 1,871 |
| | -13% | +40% | +10% | +10% | -12% | -12% |

## 1.12 Western Australian Gas Services Information (GSI)

| | |
|---|---|
| Purpose of this function | The GSI function includes the GBB (WA) and WA GSOO. The objectives of the GBB (WA) and WA GSOO is to ensure:<br>• Security, reliability and availability of the supply of natural gas in the state.<br>• Efficient operation and use of natural gas services in the state.<br>• Efficient investment in natural gas services in the state.<br>• Facilitation of competition in the use of natural gas services in the state.<br>Similar to the GBB on the East Coast, the WA GBB is an information website hub to provide flow information on gas, transmission, storage, emergency management with supply disruptions, and demand in WA.<br>The WA GSOO is an annual planning document providing medium to long term outlook of gas supply and demand in WA, transmission and storage capacity in the State. |
| Fees | The current GSI recovery is $1.527m.<br>Total costs to be recovered in 2018-19 ($1.520m) are similar to the 2017-18 level. |

**Table 23 — Projected GSI fees**

| Fee | Actual 2017-18 | Budget 2018-19 | Estimate 2019-20 | Estimate 2020-21 |
|---|---|---|---|---|
| GSI fee ($'000) | 1,527 | 1,520<br>0% | TBC | TBC |

## 1.13 Other Budgeted Revenue Requirements

AEMO also collects revenue to recover the costs of the following functions:

**Table 24 — Other Revenue Requirements**

| Other revenue requirement | Actual 2017-18 ($'000) | Budget 2018-19 ($'000) |
|---|---|---|
| South Australia Planning | 1,000 | 1,000 |
| Settlement Residue Auctions | 295 | 295 |

## 1.14 Energy Consumers Australia (ECA)

| | |
|---|---|
| Purpose of this function | To promote long term interests of the energy customers, in particularly for residential customers and small business customers. |
| Fees | AEMO is required to recover the funding for the ECA from market participants (i.e. pass through recovery). Total expenditure budgeted by the ECA to be recovered in 2018-19 is $7.3m (+8% increase) (2017-18: $6.8m).<br>The electricity ECA fee is $0.00985 per connection point per week in 2018-19 (1% increase).<br>The gas ECA fee is $0.03547 per customer supply point per month in 2018-19 (11% increase). The increase in the fee is mainly due to the increase in the ECA budgeted expenditure and an under recovery in the current year. |
| Other notes | In November 2017 the Council of Australian Governments approved the ECA 2018-19 annual budget.<br>For any questions on the ECA budget in 2018-19, contact Mohua Mukherjee, Director Governance and Operations at mohua.mukherjee@energyconsumersaustralia.com.au. |

**Table 25 — ECA Requirements**

| AEMO's ECA Fees | Actual 2017-18 | Budget 2018-19 |
|---|---|---|
| Electricity ($ / connection point for small customers per week) | 0.00979<br>+3% | 0.00985<br>+1% |
| Gas ($ / customer supply point per month) | 0.03199<br>+1% | 0.03547<br>+11% |

## 1.15 Economic Regulator Authority (ERA)

| | |
|---|---|
| Purpose of this function | To ensure that WA has a fair, competitive and efficient environment for consumers and businesses. |
| Fees | AEMO is required to recover the funding for the ERA from market customers and generators (i.e. pass through recovery). Total expenditure budgeted by the ERA to be recovered in 2018-19 is $4.96m (+3% increase) (2017-18: $4.80m).<br>The WEM ERA fee is $0.137 per MWh in 2018-19 (11% increase). |
| Other notes | For any questions on the ERA budget in 2018-19, contact Pam Herbener, Director, Corporate Services at pam.herbener@erawa.com.au |

**Table 26 — ERA Requirements**

| ERA Revenue Requirement | Actual 2017-18 ($'000) | Budget 2018-19 ($'000) |
|---|---|---|
| ERA - Regulator Fee | 4,200 | 3,948 |
| ERA - Rule Change Panel | 602 | 1,008 |
| ERA - GSI | 207 | 70 |

**Table 27 — ERA Fee**

| Fee | Actual 2017-18 | Budget 2018-19 |
|---|---|---|
| WEM ERA fee ($/MW·h) | 0.127 | 0.137<br>+11% |

# 2. AEMO FINANCIALS

## 2.1 Consolidated Profit and Loss 2018-19

**Table 28 — Consolidated Profit and Loss 2018-19**

| | AEMO (excl. Vic TNSP) | | | Victorian TNSP | | | AEMO | | | Note |
|---|---|---|---|---|---|---|---|---|---|---|
| | Budget 2017-18 $'000 | Budget 2018-19 $'000 | Variance to Budget $'000 | Budget 2017-18 $'000 | Budget 2018-19 $'000 | Variance to Budget $'000 | Budget 2017-18 $'000 | Budget 2018-19 $'000 | Variance to Budget $'000 | |
| **REVENUE** | | | | | | | | | | |
| Fees and Tariffs | 167,666 | 172,645 | 4,980 | - | - | - | 167,666 | 172,645 | 4,980 | |
| TUoS Income | - | - | - | 474,580 | 462,312 | (12,267) | 474,580 | 462,312 | (12,267) | **A** |
| PCF Fees | 1,000 | 1,000 | - | - | - | - | 1,000 | 1,000 | - | |
| Settlement Residue | - | - | - | 38,289 | 56,771 | 18,482 | 38,289 | 56,771 | 18,482 | **B** |
| Other Revenue | 6,205 | 5,656 | (549) | 35,868 | 42,713 | 6,845 | 42,073 | 48,368 | 6,295 | **C** |
| **TOTAL REVENUE** | **174,871** | **179,301** | **4,430** | **548,736** | **561,796** | **13,060** | **723,607** | **741,097** | **17,490** | |
| **NETWORK CHARGES** | - | - | - | 548,652 | 583,324 | 34,672 | 548,652 | 583,324 | 34,672 | |
| **NET REVENUE** | **174,871** | **179,301** | **4,430** | **84** | **(21,528)** | **(21,612)** | **174,955** | **157,773** | **(17,182)** | |
| **OPERATING EXPENDITURE** | | | | | | - | | | | |
| Total Labour and Contractors | 106,842 | 117,118 | 10,276 | 4,797 | 4,987 | 190 | 111,639 | 122,106 | 10,466 | D |
| Consulting | 15,340 | 18,707 | 3,367 | 1,351 | 1,141 | (210) | 16,691 | 19,848 | 3,157 | E |
| Fees-Agency, Licence and Audit | 2,328 | 2,357 | 30 | - | - | - | 2,328 | 2,357 | 30 | |
| Information Technology and Telecommunication | 22,317 | 24,672 | 2,355 | 0 | 0 | (0) | 22,317 | 24,672 | 2,355 | F |
| Occupancy | 6,825 | 7,531 | 706 | - | - | - | 6,825 | 7,531 | 706 | |
| Training & Recruitment | 2,956 | 3,194 | 238 | 18 | 56 | 38 | 2,974 | 3,250 | 276 | |
| Travel & Accommodation | 2,390 | 3,298 | 908 | 21 | 33 | 12 | 2,411 | 3,331 | 920 | |
| Other Expenses from Ordinary Activities | 7,061 | 7,428 | 367 | 2 | 3 | 1 | 7,063 | 7,431 | 369 | |
| Depreciation and Amortisation | 16,212 | 22,709 | 6,496 | 7 | 9 | 2 | 16,219 | 22,718 | 6,498 | G |
| Financing Costs | 644 | 609 | (35) | 0 | 0 | 0 | 645 | 609 | (35) | |
| **OPERATING EXPENDITURE (excluding incremental RIT-T and new conneciton recoverable costs)** | **182,916** | **207,624** | **24,708** | **6,195** | **6,228** | **34** | **189,111** | **213,853** | **24,742** | |
| Incremental RIT-T and new connections costs | - | - | - | - | 7,986 | 7,986 | - | 7,986 | 7,986 | |
| **TOTAL OPERATING EXPENDITURE** | **182,916** | **207,624** | **24,708** | **6,195** | **14,214** | **8,020** | **189,111** | **221,839** | **32,728** | |
| **ANNUAL SURPLUS / (DEFICIT)** | **(8,045)** | **(28,323)** | **(20,278)** | **(6,111)** | **(35,742)** | **(29,632)** | **(14,156)** | **(64,066)** | **(49,910)** | |
| Transfer to Reserves / Recoveries | 3,011 | 4,819 | 1,808 | (4,379) | (6,188) | (1,808) | (1,369) | (1,369) | (0) | |
| Brought Forward Surplus | 7,175 | 6,143 | (1,031) | 10,806 | 42,145 | 31,339 | 17,981 | 48,288 | 30,307 | |
| **ACCUMULATED SURPLUS / (DEFICIT)** | **2,141** | **(17,361)** | **(19,501)** | **316** | **215** | **(102)** | **2,456** | **(17,147)** | **(19,603)** | H |

* The Budget 2017-18 column reflects the published annual budget plus a revision to budgeted costs that occurred midway through the financial year. There was no change to the published 2017-18 market fees.

### Notes to the consolidated profit and loss 2018-19

### Revenue

- **A** TUOS income is reduced in order to return a surplus in the Victorian TNSP function.
- **B** Significant increase in settlement residue to reflect high spot prices, noting that the actual settlement residue revenue to be received in 2017-18 is expected to be approximately $57m.
- **C** Other revenue increases mainly due to an increase in connection revenue in the Victorian TNSP function.

### Expenditure

- **D** Labour increase includes a provision for temporary increases in resources along with a provision for ongoing resources to manage the increasing complexity of our work.
- **E** Consulting costs are $20m in 2018-19. Consulting costs provisioned in 2018-19 include specialist advice and support relating to modernising our markets and managing the complexities of the grid.
- **F** IT and Telecommunication costs are $2m higher in 2018-19. This includes operational costs of the Shared Market Protocol, cloud related costs for enhancements to our forecasting and planning systems and additional licences to cater for additional organisational headcount in 2018-19 including Microsoft, Oracle and SQL and Service Now platforms.
- **G** Depreciation and Amortisation costs are $6m higher than 2017-18 mainly due to the full year depreciation of the electricity forecasting insights project and the Power of Choice program along with the increased project program planned for 2018-19.

### Accumulated Deficit

- **H** The accumulated deficit at 2018-19 is $17m mainly due to a structural deficit as a result of operational costs increases in the NEM in 2017-18 and forward years, to be recovered over a 5 year period to smooth fees for participants.

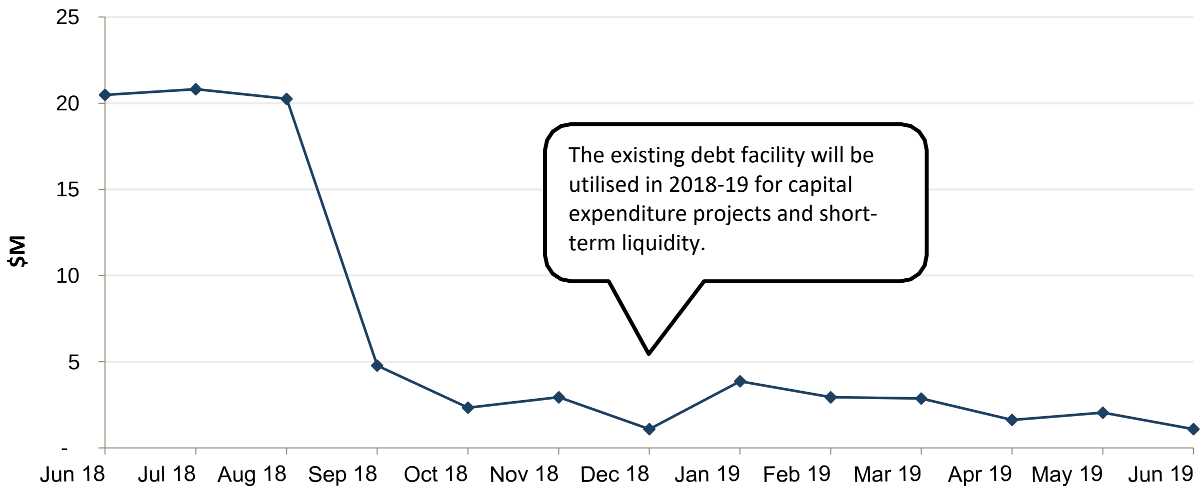
## 2.2 Balance Sheet 2018-19

| | Forecast 2017-18 $'000 | Budget 2018-19 $'000 | Variance $'000 |
|---|---|---|---|
| **ASSETS** | | | |
| Current Assets | | | |
| Cash and Short Term Deposits | 26,732 | 8,484 | (18,248) |
| Receivables | 79,795 | 81,854 | 2,060 |
| Other Current Assets | 4,889 | 5,034 | 145 |
| **Total Current Assets** | 111,415 | 95,372 | (16,043) |
| Non - Current Assets | | | |
| Intangible Assets - Software | 46,369 | 82,867 | 36,498 |
| Property, Plant and Equipment | 36,401 | 39,486 | 3,085 |
| Trade and Other Receivable | 1,337 | 1,247 | |
| **Total Non Current Assets** | 84,107 | 123,600 | 39,492 |
| **TOTAL ASSETS** | 195,523 | 218,972 | 23,449 |
| **LIABILITIES** | | | |
| Current Liabilities | | | |
| Payables | 70,659 | 69,894 | (765) |
| Borrowings | 1,822 | 700 | (1,122) |
| Provisions | 23,254 | 23,311 | 57 |
| Other Current Liabilities | 4,891 | 3,526 | (1,365) |
| **Total Current Liabilities** | 100,626 | 97,432 | (3,195) |
| Non - Current Liabilities | | | |
| Borrowings | 11,200 | 103,325 | 92,125 |
| Provisions | 1,462 | 1,462 | - |
| Lease Liability | 8,742 | 7,327 | (1,415) |
| **Total Non Current Liabilities** | 21,404 | 112,114 | 90,710 |
| **TOTAL LIABILITIES** | 122,030 | 209,545 | 87,515 |
| **NET ASSETS / (LIABILITIES)** | 73,493 | 9,427 | (64,066) |
| **EQUITY** | | | |
| Capital contribution | 7,093 | 7,093 | - |
| Participant compensation fund reserve | 6,378 | 7,489 | 1,111 |
| Land reserve | 2,719 | 2,946 | 227 |
| Accumulated surplus/(deficit) | 57,303 | (8,100) | (65,404) |
| **TOTAL EQUITY** | 73,493 | 9,427 | (64,066) |

## 2.3 Cash Flow Statement 2018-19

| | Budget 2018-19 ($'000) |
|---|---|
| **Cash at the beginning of the period (including PCF) at 1 July 2018** | 26,732 |
| Receipts from customers | 812,839 |
| Payments to suppliers and employees | (859,790) |
| **Net cashflows from operating activities** | **(46,951)** |
| Payments for property, plant & equipment | (62,300) |
| **Net cashflows from investing activities** | **(62,300)** |
| Proceeds from borrowings | 95,000 |
| Repayment of borrowings | (3,997) |
| **Net cashflows from financing activities** | **91,003** |
| **Cash at the End of Period (including PCF) at 30 June 2019** | **8,484** |
| **Cash at the end of the financial year** | 8,484 |
| Less: PCF Funds | (7,390) |
| **Cash at the End of Period (excluding PCF) at 30 June 2019** | **1,094** |

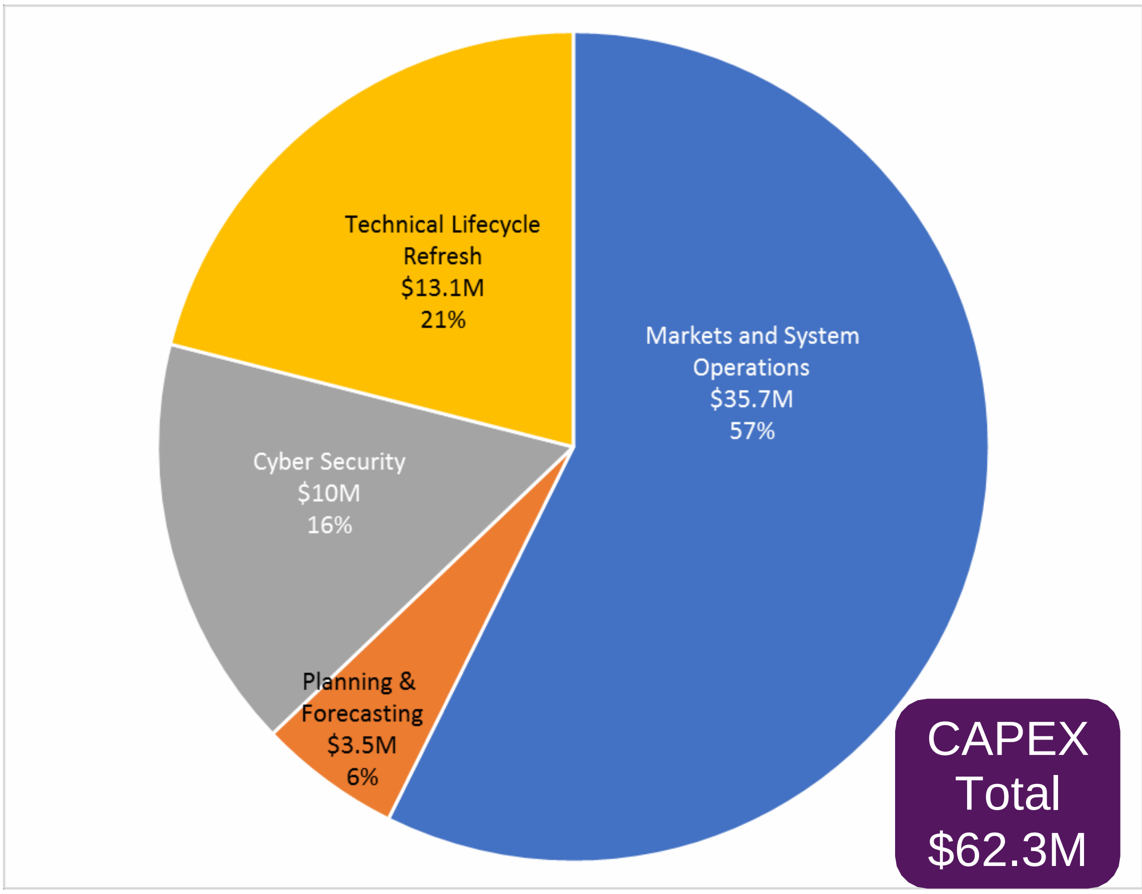
**Figure 12 – Expected closing cash balance (excluding PCF) for 2018-19**



# 3. AEMO CAPITAL EXPENDITURE PROGRAM

The project budget estimate for 2018-19 is $62.3m.

By category the following capital initiatives are planned in 2018-19.




**The key AEMO projects included in the estimates are:**

- Cyber Security Program ($10m)
- NEM 5-Minute Settlement ($6.9m)
- South West Interconnected System (SWIS) Network and Market Reform ($5.1m)
- (Western Power) System Management System Transition ($5.1m)
- WEM Reduction in Prudential Exposure in the Reserve Capacity Mechanism ($3.5m)
- WA Power System Operations ($2.8m)
- Gas Market Reform - Pipeline Capacity Trading ($2.4m)
- Gas Bulletin Board Rule Changes ($1m)
- Distributed Energy Register ($1.1m)

Major Technical Lifecycle Projects (e.g. Energy Market Platform Upgrade; STTM Database system replacement; EMMS database modernisation ($4.8M))

# 4. APPENDIX A. FEE SCHEDULES

## 4.1 Fee schedule of Electricity Functions

| Function | Budget 2018-19 $'000 | Rate | Paying Participants |
|---|---|---|---|
| **NEM** | | | |
| General Fees (unallocated) | 23,746 | $0.13292/ MW·h of customer load | Market Customers |
| Allocated Fees | | | |
| Market Customers | 29,920 | $0.16748/ MW·h of customer load | Market Customers |
| Generators[1] and Market Network Service Providers | 25,488 | Daily rate calculated on 2017 capacity/ energy | Generators and Market Network Service Providers |
| **NEM Revenue Requirement** | **79,154** | | |
| Participant Compensation Fund | 1,000 | Daily rate calculated on capacity/ energy basis | Scheduled Generators, Semi-Scheduled Generators and Scheduled Network Service Providers |
| Registration fees | 1,900 | | Intending Participants |
| Other | 1,308 | | Dependent on service provided |
| **TOTAL NEM** | **83,362** | | |
| **FRC ELECTRICITY** | | | |
| FRC Operations | 12,973 | $0.07700/ MWh of customer load in jurisdictions with FRC | Market Customers with a Retail Licence |
| Other | 2 | | Dependent on service provided |
| **TOTAL FRC ELECTRICITY** | **12,974** | | |
| National Transmission Planner | 4,178 | $0.02339/ MW·h of customer load | Market Customers |
| Electricity Consumer Advocacy Panel | 5,104 | $0.00985/ connection point for small customers/ week | Market Customers |
| Additional Participant ID | | $5,000 per additional participant ID | Existing Participants |
| **WA WHOLESALE ELECTRICITY MARKET** | | | |
| WEM Market Operator fee | 12,695 | $0.350/ MW·h | Market Customers and Generators |
| WEM System Management fee | 17,563 | $0.484/ MW·h | Market Customers and Generators |
| **WA WEM Revenue Requirement** | **30,258** | | |

[1] Excluding non-market non-scheduled generators

**Fee schedule of new NEM registrations**

| Application Type | 2018-19 $ |
|---|---|
| Registration as Scheduled Market Generator[1] | 20,000 |
| Registration as Semi-Scheduled Market Generators | 20,000 |
| Registration as Scheduled Non-Market Generator | 10,000 |
| Registration as Semi-Scheduled Non-Market Generators | 10,000 |
| Registration as Non-Scheduled Market Generator | 10,000 |
| Registration as Market Customer | 10,000 |
| Registration as Market Small Generation Aggregator | 10,000 |
| Transfer of Registration | 10,000 |
| Registration as Metering Co-ordinator (MC)[2] | 10,000 |
| Registration as Market Ancilliary Service Provider | 10,000 |
| Registration as Non-Scheduled Non-Market Generator | 5,000 |
| Registration as Network Service Provider | 5,000 |
| Registration as Trader | 5,000 |
| Registration as Reallocator | 5,000 |
| Classification of generating units for frequency control ancillary services purposes | 5,000 |
| Classification of load for frequency control ancillary services purposes - new ancilliary service load or aggregated ancillary service load | 5,000 |
| Change to constituent devices that form an aggregated ancillary service load | 500 |
| Registration as Intending Participants | 2,000 |
| Exemption from registration | 2,000 |

[1] Each category of *Generator* in this table includes applications made by persons intending to act as intermediaries.

[2] The registration fee will not apply to Network Operators that become the Initial Metering Coordinator from 1 December 2017 and Metering Coordinator for Type 7 meters (unmetered load).

**Fee schedule of new WA WEM registrations**

| Application Type | 2018-19 $ |
|---|---|
| Rule Participant Registration Application Fee | 680 |
| Facility Registration Application Fee | 340 |
| Facility Transfer Application Fee | 390 |
| Conditional Certification of Reserve Capacity | 680 |
| Resubmission - Application for Early Certified Reserved Capacity | 6,215 |

**Fee schedule of new Power of Choice accreditations**

| Application Type | 2018-19 $ |
|---|---|
| Embedded Network Manager | 2,000 |
| Metering Data Providers | 5,000 |
| Metering Providers | 5,000 |
| Incremental charge rate per hour | 150 |

## 4.2 Fee schedule of Gas Functions

| | | |
|---|---|---|
| Vic Declared Wholesale Gas Market | | |
| Energy Tariff | 0.08459 | $/GJ withdrawn |
| Distribution Meter | 1.48580 | $/day per meter |
| PCF | Nil | $/GJ withdrawn |
| VIC Gas FRC | 0.06893 | $ per customer supply point/ mth |
| QLD Gas FRC | 0.22256 | $ per customer supply point/ mth |
| SA Gas FRC | 0.21484 | $ per customer supply point/ mth |
| NSW/ ACT Gas FRC | 0.16410 | $ per customer supply point/ mth |
| | | |
| WA Gas FRC | 0.13485 | $ per customer supply point/ mth |
| Annual fee - members | 19,905 | per annum |
| Annual fee - associate members | 3,881 | per annum |
| STTM | | |
| Activity Fee | 0.05192 | $/GJ withdrawn |
| PCF Fee - Syd | Nil | $/GJ withdrawn per hub per ABN |
| PCF Fee - Adel | Nil | $/GJ withdrawn per hub per ABN |
| PCF Fee - Bris | Nil | $/GJ withdrawn per hub per ABN |
| Energy Consumers Australia | 0.03547 | $ per customer supply point/ month |
| Gas Statement of Opportunities | 0.37990 | $ per customer supply point/ month |
| Gas Bulletin Board | 1,997 | $'000 |
| Additional Participant ID | 5,000 | $ per additional participant ID |
| | | |
| WA Gas Services Information | 1,520 | $'000 |

### Fee schedule of new Gas Registrations

| Market | Rate 2018-19 | Basis |
|---|---|---|
| Victoria FRC Gas | 5,760 | $ per participant |
| QLD FRC Gas | 5,760 | $ per participant |
| SA FRC Gas | 11,300 | $ per participant |
| NSW FRC Gas | N/A | N/A |
| WA FRC Gas | 12,951 | $ per member |
| WA FRC Gas | 2,590 | $ per associate member |
| Victoria Wholesale Gas | N/A | N/A |
| STTM | N/A | N/A |

# 5. List of symbols and Abbreviations

| Term | Definition |
|---|---|
| **B2B** | Business-to-Business |
| **DWGM** | Declared Wholesale Gas Market |
| **ERA** | Economic Regulation Authority |
| **FRC** | Full Retail Contestability |
| **GBB** | Gas Bulletin Board |
| **GJ** | Gigajoule |
| **GSOO** | Gas Statement of Opportunities |
| **ESOO** | Electricity Statement of Opportunities |
| **IMO** | Independent Market Operator |
| **LNG** | Liquefied Natural Gas |
| **MOS** | Market Operator Service |
| **MW·h** | Megawatt hour |
| **NA** | Not Applicable |
| **NEM** | National Electricity Market |
| **NGERAC** | National Gas Emergency Response Advisory Committee |
| **NGR** | National Gas Rules |
| **NSM** | National Smart Metering |
| **NTP** | National Transmission Planner |
| **PCF** | Participant Compensation Fund |
| **SRA** | Settlement Residue Auction |
| **STTM** | Short Term Trading Market |
| **TNSP** | Transmission Network Service Provider |
| **TUOS** | Transmission Use of System |
| **WEM** | Wholesale Electricity Market |
| **GSI** | Gas Services Information |