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21 May 2025

Dear AEMO,

### **AEMO's New Cyber Security Roles and Responsibilities – Draft Report and Determination**

AGL thanks AEMO for the opportunity to provide comment to the AEMO's Cyber Security Roles and Responsibilities Draft Report and Determination. Our positions on key proposals are provided below:

#### **Declaring AEMO's cyber security functions as a NEM Project**

AGL is broadly supportive of the proposal to categorise the AEMO cyber security functions as a 'NEM project' under the National Electricity Rules. In principle, we agree that a separate cost recovery framework, distinct from the existing integrated participant fees, is appropriate given the specialised and evolving nature of these roles. However, we strongly encourage AEMO to prioritise transparency in the way these fees are determined and allocated. Given the evolving nature of the project and the potential for cost escalation over time, it is important that market participants are provided with clear visibility into the basis of cost estimations, any assumptions underpinning them, and the mechanisms for updating these estimates. Transparency will be essential in maintaining stakeholder confidence and ensuring that costs remain proportionate and justifiable.

#### **Advisory services**

We would like to highlight our concerns regarding the provision which allows advisory services sought from Ministers or government more broadly to be costed to the broader participant base when deemed beneficial to the wider market. While we acknowledge that some pieces of advice may serve a wider benefit, this introduces a degree of unpredictability into the cost base. Notably, the advisory services component represents the most variable cost across all functions. We therefore propose that any advisory project exceeding \$500,000 in cost should be subject to a review or disclosure mechanism – ensuring that participants can understand, scrutinise, and if necessary, provide input on whether the scope and objectives are delivering value to the broader market. Similarly, we believe there should be some opportunity to review costs for other functions that significantly exceed original cost estimates.

#### **Exclusion of DNSPs**

Although AEMO has noted that this issue is out of scope for the current draft determination, we are of the view that Distribution Network Service Providers (DNSPs) should also be required to contribute to the funding of these new cyber functions. DNSPs are not only key stakeholders in the resilience of the energy sector but also direct beneficiaries of coordinated cyber defence and information sharing. They operate critical systems such as SCADA, remote switching infrastructure, and digital interfaces with both market participants and the public, and are expected to participate more fully with the ongoing management of Consumer Energy Resources (CER).



We note that the question of whether DNSPs should become registered fee-paying participants is currently being examined through AEMO's NEM Participant Fee Structure Review. We strongly support this issue being considered under that review, particularly considering DNSPs' increasing operational involvement with AEMO through reforms such as the National CER Roadmap and the NEM Reform Program. In our view, there is a clear and growing rationale for DNSPs to contribute financially to projects like this one, which deliver shared benefits across the sector.

### **Holistic approach to cyber security protection in the energy sector**

Finally, as outlined in previous submissions to the AEMC on their consultation of AEMO's Cyber Security Roles and Responsibilities we urge AEMO alongside the AEMC and co-regulators to take a broader and more integrated view of cyber risk across Australia's energy systems. The current framing of cyber risk through the lens of the NEM and the National Electricity Rules does not fully capture the interconnected nature of the modern energy ecosystem. Cyber threats will likely not distinguish between gas, electricity, WEM, CER or jurisdictional boundaries. We therefore recommend that future reform efforts seek to establish consistent, whole-of-system cyber governance frameworks that align protections across energy markets, for the most resilient outcome.

### **About AGL**

At AGL, we believe energy makes life better and are passionate about powering the way Australians live, move, and work. Proudly Australian for more than 185 years, AGL supplies around 4.5 <sup>1</sup> million energy, telecommunications, and Netflix customer services. AGL is committed to providing our customers simple, fair, and accessible essential services as they decarbonise and electrify the way they live, work, and move.

We operate Australia's largest private electricity generation portfolio within the National Electricity Market, comprising coal and gas-fired generation, renewable energy sources such as wind, hydro and solar, batteries and other firming technology, and storage assets. We are building on our history as one of Australia's leading private investors in renewable energy to now lead the business of transition to a lower emissions, affordable and smart energy future in line with the goals of our Climate Transition Action Plan. We'll continue to innovate in energy and other essential services to enhance the way Australians live, and to help preserve the world around us for future generations.

If you have any questions in relation to this submission, please contact Jenny Kim, Manager, Policy and Market Regulation at [JKim2@agl.com.au](mailto:JKim2@agl.com.au).

Yours sincerely,

A handwritten signature in black ink that reads 'Liam Jones'.

Liam Jones  
Senior Manager Policy and Market Regulation

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<sup>1</sup> Australian Energy Regulator (2025), [Retail energy market performance update for Quarter 2, 2024–25](#).